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Air Resources Board

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Edmund G. Brown, Jr.
Governor

Notice to Prospective Proposers

Request for Proposal (RE-BID) RFP No. 10-622

“2011 ARB Direct Loan Program”

ADDENDUM NO. 1

June 10, 2011

ARB is issuing this Addendum No. 1 to post Questions and Answers to the Request for Proposal (RFP) **and** to replace the prior version of the RFP.

NOTICE: Prior solicitation is being replaced with a revised version. Please disregard the prior version of this solicitation. It is the proposers' responsibility to completely review the attached revised version of the RFP.

This addendum, along with the RFP is published online in the California State Contracts Register at <http://www.eprocure.dgs.ca.gov/CSCRAAds.htm>. To ensure receipt of any addenda that may be issued, interested parties are encouraged to register online at <http://www.bidsync.com/help/bidsync/freebids.html>. Any questions are to be addressed to the contact listed below:

Contact: Sue Bayoneta
Phone: (916) 322-2208
Email: sbayonet@arb.ca.gov

Thank you.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

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Request for Proposal No. 10-622 (RE-BID), Addendum No. 1

**2011 ARB Direct Loan Program
Follow-up Questions & Answers**

Q1. What is the difference between “Static pool loss methodology and credit risk assessment model” vs. “Static pool loss methodology and credit risk evaluation”?

A1. “Credit risk assessment model” refers to the basic framework, containing various parameters and criteria, that would be used by a reviewer to evaluate credit risks. “Credit risk evaluation” refers to the actual process of reviewing credit information, using the “credit risk assessment model”, to make a determination of risks.

Q2. What is the difference between “As part of the loan default management, when informed by ARB that a loan has been defaulted, the Contractor shall repossess, recondition, and remarket the vehicle, using the strategy approved by ARB” vs. “The Contractor shall provide a mechanism to resell the recovered defaulted asset to obtain maximum market value”?

A2. The first quotation provides emphasis that the phrase “loan default management”, as used in the RFP, includes the actual physical process of repossessing, reconditioning, and remarketing of defaulted assets that the Contractor, or through the use of an approved subcontractor, would have to perform as part of the “loan default management” task. In other words, “repossessing, reconditioning, and remarketing” is NOT to be considered activities external to the “loan default management” task. Although the second quotation may be interpreted to mean the Contractor is to provide only a strategy, or a mechanism, pertaining to the proper disposition of defaulted assets and the implementation of the strategy is outside the scope of the “loan default management task”, that is not the intent of the task as presented in the RFP.

Q3. If the following estimate is different than the actual experience will the cost reimbursement be changed to account for a lower or higher number of loans and a lower or higher number of defaults?

Number of loans, based on \$3 million available for retrofit loans and \$9 million for truck loans.

a. Number of retrofit loans: 200

b. Number of truck loans: 100

2. Default assumptions:

a. Percent of retrofit loans defaulted: 25%

b. Percent of truck loans defaulted: 10%

A3. The cost reimbursement will depend on the actual number of loans processed, funded, and/or defaulted, based on the approved cost-per-loan rates, not to exceed the total contracted amount.

Q4. The Contractor shall repossess, recondition, and remarket the vehicle, using the strategy approved by ARB.

Q4a. We are assuming that the decision to repossess trucks that are taken out of state by the borrower will be made by ARB and all cost, that are higher than an in state repossession in the cost proposal will be paid by the ARB?

A4a. The total cost offer that a proposer submits in response to the RFP must include all costs necessary to perform all required tasks, including any estimated costs relating to the scenario presented in this question. ARB cannot pay through this contract for any additional costs that are outside of the contracted amount.

Q4b. Are the cost for 60 reposed trucks to be quoted on a per loan (total repossession cost/300)?

A4b. The costs to repossess the defaulted assets are to be quoted based on a per loan basis for each loan that defaults, not based on the total loan volume. So, in the scenario presented in this question, the proposer's cost offer would be for the cost per loan to repossess 60 trucks. See the revised cost sheet, **Attachment 8**, Contractor Cost Sheet, for additional information.

Q4c. We are assuming that the proposer will manage the reconditioning process, the cost will not be incorporated as part of the cost proposal and that the cost of reconditioning will not be part of the cost proposal since the decision to recondition and the decision regarding how much to spend in recondition is part of the total loss calculation?

A4c. All cost estimates must be included in the total cost offer. See answer to A4a. above.

Q4d. We are assuming that the proposer will manage the remarketing process, the cost will not be incorporated as part of the cost proposal and that the cost of remarketing will not be part of the cost proposal since the decision regarding when to remarket and the decision regarding whether to retail or sell at auction is part of the total loss calculation?

Q4d. See answer to A4c.

Q5. It is assumed that the outreach budget outlined by ARB will be 100% spent prior to 100% of the credit evaluation and loan documentation process being completed. If the full \$12 million is not loaned and the outreach budget has been spent what is the ARB's position on the money not yet loaned as part of the program?

A5. The assumption that the outreach budget will be completely spent, as presented in the question above, may or may not be accurate and it is not an assumption being made by ARB. Regardless of the amount of outreach budget remaining, the Contractor will still be required to perform all other tasks as specified in the Contract Agreement, including reviewing loan applications and processing loan documents, etc. The amount budgeted for outreach activities is a fixed, up-to amount, which will be paid to the Contractor on a cost-reimbursement basis, based on actual costs incurred, and cannot be exceeded.

Q6. The following are subcontractors that would be used during the default process and not services provided by a truck finance or marketing company:

- a. Door knocks**
- b. Repossession**
- c. Reconditioning**
- d. Remarketing**

If the any of the subcontractors used for one of these services is no longer in business during the term of the program will there be a process to get a new subcontractor approved?

A6. To use new subcontractor(s) for the program, the Contractor must obtain prior approval by ARB. The Contractor would need to notify in writing the ARB Project Manager the following information: the Subcontractor name and address; total dollar amount for services to be provided; the type of service performing because the subcontractor must provide a commercial useful function; and status of being a California certified Small Business, if applicable.

Q7. Please confirm whether the \$750,000 total proposal cost limitation for the potential 9 year program is an all-in budget, or simply the budgeted fee for program servicing, i.e., if our proposal came in below \$750,000, but provided for reimbursement of costs associated with the expenses incurred with the program servicing, would the proposal be deemed to be ineligible for award?

A7. The \$750,000 cost limitation is a not-to-exceed amount. The Contractor would be paid up to the contracted amount, which may be different from the specified cost limit but cannot exceed the \$750,000 cost cap, to reimburse the Contractor for all approved expenses that were incurred as a result of the Contractor completing all required tasks as specified in the Contract Agreement, including any estimated costs pertaining, but not limited, to repossession activities up to program termination date.



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Air Resources Board

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Governor

ADDENDUM #1 **REQUEST FOR PROPOSAL (RE-BID)** **Notice to Prospective Proposers** **RFP No. 10-622**

June 10, 2011

You are invited to review and respond to this RE-BID Request for Proposal (RFP) No. 10-622, entitled, "2011 ARB Direct Loan Program." In submitting your proposal, you must comply with the instructions found herein.

This RFP is published online in the California State Contracts Register (CSCR) at <http://www.eprocure.dgs.ca.gov/CSCRAds.htm> along with Air Resources Board (ARB) Loan Incentives Program webpage <http://www.arb.ca.gov/ba/loan/loan.htm>. To ensure receipt of any addenda to this RFP that may be issued, interested parties are encouraged to register online at <http://www.bidsync.com/help/bidsync/freebids.html>.

The Air Resources Board (ARB) deadline for receipt of proposals is **June 16, 2011 no later than 10:00 a.m.** Neither late received nor faxed or emailed proposals are acceptable. **All late, faxed, and/or emailed proposals will be rejected** and returned to the potential proposer. Sealed proposals must be received on or before the date and time specified herein at the following location:

Mailing and Street Address:

Air Resources Board
Contract & Procurement Services Section
Attn: Sue Bayoneta
1001 I Street, 20th Floor
Sacramento, CA 95814

You are advised that you are responsible for ensuring that your proposal is received by the above listed contact person by the time and date required. Any proposal reaching the contact person after the deadline date and time will be returned unopened.

In the opinion of the Air Resources Board this RFP is complete and without need of explanation. However, if you have questions, notice any discrepancies or inconsistencies, or need any clarifying information, the contact person for this RFP is listed below. **All questions must be submitted in accordance with the RFP instructions contained herein and sent via email directly to the below listed contact person and not through the BidSync system.**

Contact: Sue Bayoneta
Phone: (916) 322-2208
Email: sbayonet@arb.ca.gov

We appreciate your interest in this project and hope to receive a proposal from you if this is within your area of expertise.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

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I. PURPOSE / BACKGROUND / SCOPE OF WORK:

A. Purpose

The purpose of this Request for Proposals (RFP) is to obtain proposals from qualified financial institutions, as defined in Section I.E of the RFP, to assist Air Resources Board (ARB) in implementing a low-interest financing program for small trucking fleets.

Proposers interested in submitting a proposal in response to this RFP need to be aware of the deadline for proposal submittal and other key action dates as shown in Section II.A., as well as the minimum qualification requirements for potential proposers as stated in Section III.A. Proposals that were submitted by proposers not meeting the minimum eligibility criteria will not be considered. **This project has a total budgeted amount of \$750,000 for Phase 1 and 2.** Proposals received exceeding this amount will be deemed non-responsive and ineligible for award.

B. Background

Pursuant to Health and Safety Code section 39003: "The State Air Resources Board is the state agency charged with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles, which is the major source of air pollution in many areas of the state."

Pursuant to Assembly Bill 118 (Health & Safety Code §§ 44274 et seq.), ARB has implemented loan incentive programs to reduce the emission impacts of heavy-duty vehicles and equipment through ARB Providing Loan Assistance for California Equipment (PLACE) program. These programs include loan guarantee programs implemented in partnership with the California Pollution Control Financing Authority and a revolving loan program implemented through Cascade Sierra Solutions. Also, pursuant to Assembly Bill 118, ARB will implement a PLACE Direct Loan (PLACE-DL) program for the purpose of providing affordable financing to small fleet owners/operators to purchase cleaner trucks, verified retrofits or SmartWay equipment to comply with ARB regulations prior to compliance deadlines, or to comply with ARB regulations for drayage trucks prior to any applicable compliance deadlines.

The focus of these loan incentives programs are on heavy-duty diesel engines because although they comprise a small percentage of all mobile and portable engines in California, diesel engines produce approximately 50 percent of the emissions of oxides of nitrogen (NOx) and 45 percent of the combustion-generated particulate matter (PM) from such engines. NOx is a constituent of smog and PM is linked to a wide range of serious health problems. Diesel PM has also been classified as a toxic air contaminant capable of causing cancer. Over time these emissions are decreasing as older diesel engines are retired and replaced with newer models meeting more stringent emission standards. However, the turnover rate for diesel engines is slow so the full benefits of cleaner technologies would not normally be realized for decades. To improve California air quality, ARB adopted regulations that will significantly reduce emissions from both new and in-use heavy-duty diesel trucks (greater than 14,000 pounds Gross Vehicle Weight Rating (GVWR)) and trucks entering ports and rail yards of California. Two most recent regulations for on-road heavy-duty vehicles are summarized below:

1. On-Road Heavy-Duty Vehicle Regulations

The first regulation is the Truck and Bus Regulation adopted by ARB in December 2008 and amended in December 2010. Generally, this regulation requires the modernization of existing fleets through retrofits and vehicle turnover starting January 1, 2012. This regulation provides owners of heavier trucks (greater than 26,000 pounds GVWR) the option to install ARB-verified exhaust retrofit devices to reduce toxic PM emissions starting January 1, 2012. Fleets also have the option to install a PM filter retrofit on a truck greater than 14,000 pounds GVWR by 2014 to make the truck exempt from replacement until January 1, 2020. Any truck equipped with a PM filter retrofit prior to July 1, 2011, will receive credit toward the compliance requirements for heavier trucks and buses in the same fleet. Longer-term compliance for all fleets would necessitate fleet turnovers (truck replacements) to engines meeting the 2007 or 2010 engine emission standards starting on January 1, 2015. All trucks must comply with the 2010 engine emission standards by 2023. This can be accomplished through a number of phase-in provisions and compliance options. Information about the Statewide In-Use Truck and Bus Regulation is available at: <http://www.arb.ca.gov/msprog/onrdiesel/onrdiesel.htm>

The second regulation is the Heavy-Duty Vehicle Greenhouse Gas (GHG) Emission Reduction Regulation. The regulation focuses on new and existing 53-foot or longer box-type trailers and the tractors that pull them. The regulation seeks to reduce GHG emissions by requiring some of the new and existing on-road tractors and trailers operating on California highways to be equipped with technologies that will result in reduced GHG emissions beginning in January 1, 2010. The regulation requires the use of SmartWay-certified tractors and trailers, SmartWay-approved aerodynamic technologies and low-rolling resistance tires. All pre-2011 MY tractors that pull affected trailers must use SmartWay-verified low rolling resistance tires, beginning January 1, 2012. Examples of aerodynamic technologies include integrated roof fairings on sleeper-cab tractors; and side skirts, gap fairings, and rear trailer fairings on box-type trailers. The regulation applies to both California-registered and out-of-state-registered tractors and trailers. Information about the Heavy-Duty Vehicle Greenhouse Gas Reduction Regulation is available at: <http://www.arb.ca.gov/cc/hdghg/hdghg.htm>

2. ARB Direct Loan Program

To comply with the requirements of ARB's regulations, in particular, the two on-road heavy-duty vehicle regulations described above, vehicle fleet owners need to upgrade their vehicles to lower-emission technology, either through the installation of verified retrofits or through the purchase of new vehicles. Many small fleet owners may find it difficult to acquire financing to purchase a new vehicle. More often than not, when a small fleet owner is able to acquire financing, the term and rate for the loan are unfavorable and create a significant financial burden. Generally, small fleet owners tend to buy vehicles that have already been operated with significant mileage; this allows small fleet owners to buy vehicles within an affordable price range. However, this practice of buying older vehicles will not meet the requirements of ARB's on-road heavy-duty vehicle regulations.

Program Overview – ARB initiated the PLACE Program in 2009 to assist California's small fleets affected by the recent air quality regulations. The first component of the PLACE Program was initiated with funding and direction from the state legislature through Assembly Bills 118, 109 and 1338. These bills provide the initial program funding and basic framework for ARB's loan incentives programs:

- Assembly Bill 118 (AB 118; Chapter 750, Statutes of 2007) establishes ARB's Air Quality Improvement Program (AQIP), which provides the loan program's initial

- funding allocation through a one-time 2008-2009 fiscal year State budget appropriation.
- Assembly Bill 109 (AB 109; Chapter 313, Statutes of 2008) expands AQIP to include revolving loans, loan guarantees, or other appropriate funding measures, thereby providing ARB the legislative authority to implement an air quality loan program.
 - Assembly Bill 1338 (AB 1338; Chapter 760, Statutes of 2008) prescribes the basic air quality loan program criteria and prioritizes funding to trucking fleets with less than three vehicles, to fleet owners that demonstrate financial hardship, or to trucking fleets used in short-haul operations.

ARB will establish a PLACE-DL program with up to \$12 million initially that would be available for loans. The PLACE-DL program could potentially be supplemented in the future with additional funds from other funding sources. Of the amount of funds that is available for loans, \$3 million will be initially reserved for the purpose of financing eligible retrofit systems and the remainder of the funds is to be used to finance all other eligible projects such as truck purchases and SmartWay equipment prior to any compliance deadlines. If the funding that has been set aside to fund a particular project category is depleted, ARB will consider releasing funds from the project category that is under-utilized and allow those funds to be used to finance other project categories.

C. Scope of Work Summary

ARB will enter into an agreement with a Contractor, selected through this RFP process that has expertise in evaluating financial and credit information as well as underwriting and servicing loans. The Contractor shall assist ARB in implementing a loan program that meets the criteria of the PLACE-DL program. It is important to note that the Contractor will not implement the loan program independently, rather, the Contractor shall report to ARB, which shall have the final authority on program operation. ARB shall be responsible for ensuring that programmatic requirements are met, provide the final loan approval decision, which will be based on the financial and credit review provided by the Contractor and/or other factors, process and track loan payments, and notify the Contractor of any loan defaults. Contractor shall be responsible for static pool loss methodology and credit risk evaluation, outreach activities, program eligibility and loan application evaluation, loan documents preparation and signing, and loan default management. These tasks are described below and are to be completed in two phases, as discussed in Section I.D, Program Structure.

1. **Static pool loss methodology and credit risk assessment model.** The Proposer shall propose and fully describe a methodology to determine the potential losses due to loan defaults from the targeted group of borrowers defined by ARB. The proposed methodology should be able to reasonably provide an objective analysis of financial and credit data, as well as other relevant factors, to assess the potential losses from a defined group of borrowers. The aggregated potential loss for any defined group of borrowers is hereinafter referred to as the static pool loss for that group of borrowers. The Proposer must be able to justify its proposed static pool loss methodology. ARB will work with the Proposer to determine an acceptable range of static pool loss for the PLACE-DL program. In addition, the Proposer shall develop a credit risk assessment model to be used in evaluating loan applications, including, if applicable, separate credit risk assessment models for independent owners/operators and for larger fleet owners/operators.
2. **Outreach Activities.** The Proposer shall propose an outreach plan to be used in implementing ARB's direct loan program. The outreach plan must include at a

minimum, published materials as well as other media, such as internet-based portal to disseminate program information to fleet owners, including both independent owners/operators as well as larger trucking fleets, strategies to educate potential borrowers about ARB's loan program. The outreach plan shall also have plans to inform and entice truck dealers' participation in ARB direct loan program.

3. **Program eligibility and loan application evaluation.** The Contractor shall perform program eligibility evaluations for applications submitted to ARB's PLACE-DL program, based on criteria that will be provided by ARB. All program eligibility determinations shall be sent to ARB on a periodic basis.

The Contractor shall provide ARB with a complete loan evaluation, including credit report and risk analysis, recommendation for loan approval or disapproval and proposed loan terms pertaining to each eligible loan applicant who submitted an application under the PLACE-DL program. The target borrowers will be small fleet owners/operators that have forty or fewer heavy-duty vehicles. The focus of the ARB direct loan program is to assist the target borrowers that are unable to obtain conventional financing with the current tight credit market, due to their less-than-excellent credit rating and/or other factors, to purchase eligible heavy-duty vehicles, retrofits, or SmartWay equipment. As such, the Contractor shall use prudent lending practices, as well as other criteria if necessary, to analyze the financial and credit information of the target group of borrowers to improve their chances of obtaining financing while minimizing undue risks of potential loan defaults.

4. **Loan documents preparation and signing.** After ARB has approved and authorized the loan, Contractor shall be responsible for preparing the necessary loan documents using standard loan document forms approved by ARB. The Contractor shall follow all accepted conventions concerning loan document preparation and signing. The loan documents shall specify ARB as the Lender. The loan documents shall also direct the borrower to make monthly payments payable to ARB and send payments to the address provided by ARB. The Contractor shall provide a convenient location where borrowers can come in to sign the loan documents. Alternatively, if a local facility is not available, the Contractor shall provide an on-site loan document signing service where qualified personnel that are authorized to oversee the signing of the loan documents will arrange for a convenient time and location for the borrower to sign the loan documents. After the borrower has signed the loan document, the Contractor shall send one original and two (2) copies of the executed loan documents to ARB.
5. **Loan default management.** The Contractor shall use best practices to minimize loan defaults and to minimize the loss of the assets in case of defaults. The Contractor shall provide and implement a strategy, or strategies, to minimize the likelihood of defaults. The Contractor shall have a strategy that has been approved by ARB to quickly recover and dispose of assets when a borrower has defaulted on the loan. This would include a mechanism for locating (e.g., GPS-based devices) and recovering the defaulted assets to minimize the potential damage to the assets. The Contractor shall provide a mechanism to resell the recovered defaulted asset to obtain maximum market value. As part of the loan default management, when informed by ARB that a loan has been defaulted, the Contractor shall repossess, recondition, and remarket the vehicle, using the strategy approved by ARB.

With the exception of task 1, which is required only as a Phase 1 deliverable, all the other tasks would be present in varying degrees of activities in both Phase 1 and Phase 2. For

example, ARB anticipates that task 3 could be more prevalent in Phase 1 while there may be more activities for task 5 in Phase 2. More detailed description of the Scope of Work and the associated Tasks are presented in **Attachment 9**, Exhibit A, Scope of Work.

D. Program Structure

Contract Length – Proposers must be aware that the length of the contract for the PLACE-DL program will be from the contract execution date to the date when the last loan has been fully repaid. Because the actual lengths of the loans that would be financed through the PLACE-DL program are currently unknown, the actual length of the contract is also indeterminate at the present. As a result of that, the actual contract length could be as short as three (3) years if all program funds were utilized to finance three-year loans immediately upon program implementation, or it could be as long as nine (9) years, if some loans were financed at the end of the second year and those loans have 7-year terms. This could potentially extend the Contractor's contractual obligation to as short as June 30, 2014, or as long as June 30, 2020, assuming that the contract was executed on June 30, 2011. ARB anticipates that the actual length of the contract will likely be somewhere between the two timeframes presented.

Because of the uncertainty concerning the actual length of time ARB would need the services of the Contractor, as discussed above, the contract will be implemented in two phases. In Phase 1, the contract period will be for the first two years of the program to cover the period when loan funds will be expended. In Phase 2, the contract period will be from the end date of Phase 1 to the date when the last loan that was funded during Phase 1 is fully repaid. At the end of Phase 1, ARB will determine how much time would be needed for Phase 2 based on the longest remaining years of the loans that were financed during Phase 1 that are still outstanding. The Contractor will be obligated under contract to perform all required tasks associated with Phase 2 until all loans are fully repaid. At the end of Phase 1, ARB will also evaluate the efficacy of the Contractor in the performance of its contractual obligation for Phase 1, along with the determination of the length of the Phase 2 contract period as discussed. Unless warranted due to non-performance issues, or for other issues deemed appropriate by ARB, the contract with the Contractor will continue unabated with Phase 2 in accordance with the terms of the original agreement. If in ARB's opinion, the Contractor has not sufficiently fulfilled its contractual obligations for Phase 1, ARB at its discretion may terminate the existing contract.

E. Definitions

The following definitions apply to this solicitation:

- 1. CalCAP Lender** – A financial institution, as defined in this section, that has been approved by the California Pollution Control Financing Authority (CPCFA) to participate as a lender in CPCFA's California Capital Access Program (CalCAP). Information about CPCFA CalCAP lender requirements can be obtained at the following link: http://www.treasurer.ca.gov/cpcfa/cal_cap.asp. Proposers must meet one of the following definitions of a financial institution described below.

- 2. Financial Institution** –

- A federal or state-chartered bank, savings association, credit union, or not-for-profit community development association certified under Part 1805 (commencing with Section 1805.100) of Chapter XVIII of Title 12 of the Code of Federal Regulations, or a consortium of the foregoing entities. A consortium of such entities may include a non-financial corporation, if the percentage of capitalization by all non-financial

corporations in the consortium does not exceed 49 percent. This financial institution shall have at least one office in the State of California.

- A lending institution that has executed a participation agreement with the Small Business Administration under the guaranteed loan program pursuant to Part 120 (commencing with Section 120.1) of Chapter 1 of Title 13 of the Code of Federal Regulations, and a small business investment company licensed pursuant to Part 107 (commencing with Section 107.20) of Chapter 1 of Title 13 of the Code of Federal Regulations. This financial institution shall be domiciled or have its principal office in the State of California.
 - Finance Lenders as defined pursuant to California Financial Code section 22009, or a federally recognized non-profit organization with authority to provide financing services under California Financial Code section 22009, making commercial loans as defined pursuant to California Financial Code section 22502. This financial institution shall have at least one office in the State of California.
- 3. Eligible Fleet** – means a fleet of 40 or fewer heavy-duty vehicles (greater than 14,000 pounds Gross Vehicle Weight Rating, GVWR) that is subject to the requirements of the ARB’s Statewide In-Use Truck and Bus Regulation and/or the Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation.
- 4. Eligible Projects** – means on-road heavy-duty vehicles (greater than 14,000 pounds Gross Vehicle Weight Rating, GVWR) equipped with 2010 and later model year certified engines, verified retrofits or SmartWay equipment, or other projects approved by ARB on a case-by-case basis.
- 5. Proposer** - Proposer may be an individual, a partnership, a corporation, a cooperative, or any other legal entity that meets the definition of “financial institution”, as defined in this RFP. Anyone who owns 20 percent or more of the proposer business is considered to be a proposer principal. All proposer principals must provide financial disclosure. The proposer must designate a main contact person for the proposal. The main contact person must have the legal authority to submit progress reports and sign legal documentation on behalf of all the proposer principals. The proposer must be authorized to do business in the State of California and be in good tax standing with the California Franchise Tax Board.

II. PROPOSAL REQUIREMENTS (GENERAL) AND INFORMATION

This section contains instructions for the submission of your proposal. It is the responsibility of the proposer to carefully read and follow all proposal requirements within this RFP. Compliance with the RFP instructions is mandatory for your proposal to be considered for award. Failure to comply with the RFP instructions may cause your proposal to be deemed non-compliant and non-responsive, thus ineligible for award.

A. Key Action Dates

Below is the tentative time schedule for this RFP. ARB reserves the right to modify the RFP and/or change the date and time at its sole discretion, prior to the date fixed for submission of proposals, by the issuance of an addendum that will be posted on the California State Contracts Register.

1. ARB reserves the right to modify or cancel in whole or any part of this solicitation.
2. Clarifications to the solicitation will only be provided in the form of a written addendum to all proposers.

<u>Key Actions</u>	<u>Dates</u>	<u>Time</u>
RFP available to prospective proposers	06/02/11	N/A
Written Questions Submittal Deadline	06/07/11	5:00 p.m.
Questions and Answers Addendum Posted	06/09/11	
Final Date for Proposal Submission/Receipt by ARB	06/16/11	10:00 a.m.
Review/Evaluation of Proposals	06/16-06/17/11	
Public Opening of Cost Proposals which have been successful in Technical Review	06/20/11	10:00 a.m.
Posting of Intent to Award Notice(s) (Notice is posted for five days)	06/20/11	N/A
Last Day to Protest	06/27/11	N/A
Contract forms sent to Successful Proposer	06/28/11	N/A
Signed Contracts returned to ARB for counter signature	06/30/11	N/A
Contract to DGS for Approval	06/30/11	
Contracts Approved & Executed – work begins	Approximately 07/14/11	N/A
Phase 1 Project Complete	06/30/13	N/A
Phase 2 Project Complete	TBD *	N/A

* TBD: To be determined by ARB at the end of Phase 1, based on remaining loan terms, see explanation provided in Section I.D.

Dates listed above are estimates only, and subject to change at ARB's sole discretion. The date work begins will be considered to be different from the actual start date of the contract/agreement. No work shall begin until all required approvals and signatures are obtained.

1. Questions Regarding RFP Requirements

All questions or concerns related to the RFP requirements must be directed by email to:

Air Resources Board
Contract & Procurement Services Section
Attn: Sue Bayoneta
Phone: 916 / 322-2208
Email: sbayonet@arb.ca.gov

Questions must be received by the date indicated in Section II.A., Key Action Dates. Answers to all questions submitted will be in the form of an addendum posted to the DGS California State Contracts Register (CSCR) website <http://www.eprocure.dgs.ca.gov/CSCRAds.htm> as well as on ARB loan incentives program website <http://www.arb.ca.gov/ba/loan/loan.htm> on the date indicated in Section II.A., Key Action Dates. Please note that no verbal information

given will be binding upon the State unless such information is issued in writing as an official addendum to all parties/participants.

C. General Proposal Requirements

1. Proposals should provide straightforward and concise descriptions of the proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements will be sufficient cause for rejection of a proposal.
2. Proposals must be submitted for the performance of all services described herein. Any deviation from the work specifications (Section I.C and **Attachment 9**, Exhibit A, Scope of Work and Section III, Technical Proposal Requirements) will not be considered and will cause a proposal to be rejected.
3. **The proposal must contain all of the components, information, and documents as outlined below:**

a) Title Page

The purpose of this page is to provide in one location information needed by ARB administrative staff. It must contain the following items:

- i) the title of the proposal, which must be the same as the title of the RFP; and
- ii) the number of the RFP, 10-622; and
- iii) the date of proposal;

b) Cover Letter / Letter of Commitment

This introductory letter must be on the company's letterhead and include the following information and statements:

- i) The name and address of your company [NOTE: You may use a Post Office box, but please provide your company's street address for our records]; and
- ii) The name, title, and signature of a company official authorized to bind the proposal

c) Table of Contents

d) Summary

The summary shall not be longer than one page. Include a brief description of the proposed project briefly summarizing the main point of the various sections of the proposal, including the features and benefits of the proposal.

e) Technical Proposal

The details to be included in the technical part of the Proposal can be found in Section III, A, Proposal Requirements (Technical) and in **Attachment 9**, Exhibit A, Scope of Work. Elements of the technical part of the Proposal shall include:

- a) Minimum Qualifications Explanation, b) Minimum Proposer Requirements, c) Project Management Plan, d) Methodology, e) Project Plan and Project Schedule, f) Equipment and Facilities, and g) Personnel.

f) Cost Proposal

The details to be included in the cost part of the Proposal can be found in Section III.B., Cost Proposal Requirements. The costs shall be consistent and in accordance with the tasks described in the Scope of Work.

D. Submission of Proposals

1. The original proposal must be marked "ORIGINAL COPY." Submit five (5) copies of the proposal. (There will be six (6) total, one original plus five (5) copies)

All additional proposal sets may be photocopies of the original package. Due to limited storage space, the proposal package should be prepared in the least expensive method (i.e., cover page with staple in upper left-hand corner, no fancy bindings such as spiral binding, 3-hole punch, etc.).

Also to conserve paper, we require double-sided pages, and please use single or one-and-a-half spacing. Please do not include lengthy, oversized company brochures. Any extra items submitted with the proposal shall be clearly marked and identified as to the name of the proposer and the RFP number.

2. Proposals must be submitted no later than the date and time indicated in Section II.A., Key Action Dates.

Proposals received **after** this date and time will **not** be considered.

3. Packaging/Mailing/Delivery Instructions

The proposal package/envelope must be plainly marked with the RFP number and title, your firm name, address, and must be marked with "DO NOT OPEN" (see sample below)

- a) Responses to this RFP shall be submitted to ARB in one (1) sealed package/envelope containing two (2) separate, sealed packages/envelopes, as follows:
 - i) One (1) sealed package/envelope containing the Technical Proposal and all other required elements (Original and five (5) copies)
 - ii) One (1) sealed package/envelope containing only the Cost Proposal (Original and five (5) copies).
- b) Proposals not submitted under sealed cover and marked as indicated may be rejected. If the proposal is made under a fictitious name or business title, the actual legal name of Proposer must be provided. Label (as instructed above), and mail or deliver package to the following location.

MAIL OR DELIVER* TO:

Air Resources Board
Contract & Procurement Services Section
Attention: Sue Bayoneta
1001 I Street, 20th Floor
Sacramento, CA 95814

- c) If your proposal is hand delivered, it is recommended that you contact the analyst, Sue Bayoneta, at (916) 322-2208, to insure your proposal is received prior to Bid submittal deadline indicated in Section II.A., Key Action Dates.

OUTER (single) SEALED PACKAGE/ENVELOPE

Proposer Name (Agency, Firm, Individual)
Complete Address
RE-BID RFP No. 10-622
2011 ARB Direct Loan Program

**REQUEST FOR PROPOSAL
DO NOT OPEN**

1ST SEALED PACKAGE/ENVELOPE	2ND SEALED PACKAGE/ENVELOPE
Proposer Name	Proposer Name
Complete Address	Complete Address
City, ST, Zip Code	City, ST, Zip Code
RE-BID RFP No. 10-622	RE-BID RFP No. 10-622
2011 ARB Direct Loan Program	2011 ARB Direct Loan Program
TECHNICAL PROPOSAL	COST PROPOSAL
DO NOT OPEN	DO NOT OPEN

- d) If your proposal is hand delivered, it is recommended that you contact the analyst, Sue Bayoneta, at (916) 322-2208, to insure your proposal is received prior to Bid submittal deadline indicated in Section II.A., Key Action Dates.
- Each proposal will be reviewed to determine if it meets the proposal requirements contained in Section III, A., Proposal Requirements (Technical). Failure to meet the requirements for the RFP may be cause for rejection of the proposal.
 - A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The State may reject any or all proposals and may waive any immaterial deviation in a proposal. The State's waiver of immaterial defect shall in no way modify the RFP document or excuse the Proposer from full compliance with all requirements if the Proposer is awarded the Agreement.
 - The Air Resources Board may modify the RFP up to the specified time of the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
 - The State reserves the right to reject all proposals.

8. More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered. Reasonable grounds for believing that any Proposer has submitted more than one proposal for the work contemplated herein will cause the rejection of all proposals submitted by that Proposer. If there is reason to believe that collusion exists among the Proposers, none of the participants in such collusion will be considered, in this or future procurements.

E. Modification and/or Withdrawal of Proposals

1. A proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline. Proposer modifications offered in any other manner, oral or written, will not be considered.
2. A proposer may withdraw its proposal by submitting a written withdrawal request to ARB signed by the proposer or an agent authorized in accordance with Section II G, titled "Signature." A proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.

F. Proposer Responsibilities

1. Proposers should carefully examine the entire RFP, with special attention to the tasks and deliverables found in Section I.C., and Attachment 9, Exhibit A, Scope of Work. Proposers shall investigate obstacles that might be encountered. No additions or increases to the agreement amount will be made due to a lack of careful examination of the requirements.
2. Before submitting a response to this solicitation, Proposer(s) should review their response, correct all errors, and confirm compliance with the RFP requirements.
3. Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to ARB.
4. It is the **proposer's responsibility** to promptly notify ARB contract analyst identified in the solicitation, by phone, letter, fax, e-mail, or visit, if the proposer believes that the solicitation is unfairly restrictive, contains errors or discrepancies, or is otherwise unclear. Notification **must be done immediately** upon receipt of the solicitation in order that the matter may be fully considered and appropriate action taken by ARB prior to the closing time set to receive solicitation responses. Such notification must be submitted no later than the question and answer period referenced in the Key Action Dates. All such correspondence received after the question and answer deadline will not be considered.
5. Proposer is responsible to review, read, understand, and comply in full with the State's General Terms and Conditions along with the Contractor's Certification Clauses as listed on www.dgs.ca.gov/contracts.
6. Each proposal must constitute an irrevocable offer for a period of at least 180 working days after proposal submission.

7. The successful proposer must provide evidence to show that member of the team possess the specific qualifications, competence, experience, resources, and business integrity necessary to carry out the work under the contract as expected. Examples of evidence include, but are not limited to: résumés, letters of reference, project summaries that highlight the team's specific experience.

The evidence must also illustrate that the Proposer owns and operates a legitimate business. If the Proposer is a corporation, said corporation must be registered in the State of California to operate said business in the State. All businesses must be registered with the Secretary of State or appropriate State jurisdiction prior to date of contract award. Evidence of registration will be from the Secretary of State's website: <http://kepler.ss.ca.gov/list.html>

All business entities doing business within the State and not operating as a corporation or partnership must be registered with the appropriate jurisdiction (county or city). All businesses not registered with the appropriate jurisdiction, or with the Secretary of State, prior to award date will be deemed non-responsive and ineligible for contract award.

8. The selected proposer must complete and submit to the Air Resources Board the Payee Data Record (**Attachment 3**, STD 204) to determine if the selected proposer is subject to state income tax withholding pursuant to California Revenue and Taxation Code Sections 18662. This form can be found on the Internet at www.osp.dgs.ca.gov under the heading FORMS MANAGEMENT CENTER. No payment shall be made unless a completed STD 204 has been returned to the Department.
9. The selected proposer must sign and submit to the Air Resources Board, page one (1) of **Attachment 6**, the Contractor Certification Clauses (CCC-307), or the form can be obtained via the Internet at <http://www.dgs.ca.gov/contracts>
10. The selected proposer must provide proof of insurance for workers' compensation/ employer's liability and general liability coverage for all its employees who will be engaged in the performance of the contract. See **Attachment 9**, Draft Standard Agreement, Exhibit D.

G. Signature

1. **All documents requiring signatures contained in the original proposal package must have *original* signatures.**
2. Only an individual who is authorized to bind the proposing firm contractually shall sign the required Cover Letter for the proposal. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
3. All documents requiring a signature must bear an original signature of a person authorized to bind the bidding firm and must be duly authorized to sign the contract/agreement if selected for award.

H. Disposition of Proposals

Upon proposal opening, all documents submitted in response to this RFP will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. The State cannot prevent the disclosure of public documents.

I. Socio-Economic and Preference Programs

1. Disabled Veteran Business Enterprise (DVBE) Incentive - Optional

This solicitation does not require a minimum amount of Disabled Veteran Business Enterprises (DVBE) participation. However, you are strongly encouraged to either become certified, if eligible, or to subcontract a portion of the work to a certified DVBE.

If a prime bidder is a certified DVBE or commits to subcontracting with DVBE(s), it may be eligible to receive a bid preference provided that the DVBE provides a commercially useful function as defined in California Code of Regulations, Title 2, Section 1896.61(l). For evaluation purposes only, the State shall apply an incentive to bids that propose California certified DVBE participation as identified on **Attachment 5**, titled Bidder Declaration GSPD-05-105 and confirmed by the State. **Attachment 5**, Bidder Declaration form, must be filled out and signed by all contractors.

The incentive amount varies in conjunction with the percentage of DVBE participation. Please see **Attachment 4** titled, "California Disabled Veteran Business Enterprise (DVBE) Bid Incentive Instructions."

2. Small Business or Microbusiness Preference - Optional

If Proposer is claiming the 5% certified Small Business or micro business preference, or is committing to subcontract 25% or more of their net bid price to one of more Certified Small Businesses or microbusinesses, **Attachment 5** (GSPD-05-105 Bidder Declaration) and attach a copy of the certification.

Additional References: <http://www.pd.dgs.ca.gov>

Questions regarding the certification approval process or the Small Business program should be directed to the Department of General Services, Procurement Division at (800) 559-5529 or (916) 375-4940. For the 24-Hour Recording & Mail Request call (916) 322-5060.

Small business or micro business bidders or proposers using the non-small business preference shall be granted a preference consisting of five percent of the highest responsible bidder's total score.

3. Darfur Contracting Act - Mandatory Submittal

Certification that the proposer is not a "scrutinized" company as defined in Public Contract Code section 10476. **Attachment 7**, Darfur Contracting Act, must be reviewed, initialed and signed in order to be eligible to submit a proposal.

III. PROPOSAL REQUIREMENTS

A. Technical Proposal Requirements

The proposal **must** contain the following components, information and documents outlined below. Each requirement's location must be listed in the Proposal's Table of Contents. Do not include any cost information in the technical proposal. Inclusion of any cost information will result in the rejection of the entire proposal. Also see Section II.D, Submission of Proposal, for general submittal details

1. Minimum Qualifications

Outline and provide detailed information as to how each of the Minimum Qualifications/Requirements (see sections 1.a. and 1.b. below) have been met, and to what extent if any, the minimum qualifications have been exceeded.

a. Proposer Requirements.

Proposers must meet the minimum requirements in order to be further evaluated and considered for award. The Proposer must comply with the following eligibility criteria in order to be eligible for submitting proposal in response to this RFP.

- i. The Proposer must meet the definition of financial institutions, as defined in Section I.E. of this RFP;
- ii. The Proposer must be an approved CalCAP lender, as defined in Section I.E., or could become a CalCAP lender by the final date for proposal submission indicated in Section II.A., Key Action Dates. The Proposer must include documentation in the Technical Proposal to show their status as a CalCAP lender;
- iii. The Proposer must provide proof of their authority to provide financial services in California;
- iv. The Proposer must have at least three (3) years of experience in providing financing to the heavy-duty vehicle sector by the final date for proposal submission indicated in Section II.A., Key Action Dates;
- v. The Proposer must have demonstrated ability and at least three (3) years of experience in outreaching to the heavy-duty vehicle sector, especially small fleet owners/operators;
- vi. The Proposer must have the ability and/or resources to repossess and dispose of defaulted assets.

Eligibility requirements v. and vi., shown above, could be satisfied through either the Proposer's own experience or through the use of the services of a separate entity (sub-contractor) that possesses the requisite experience. If the Proposer intends to use a sub-contractor to satisfy eligibility requirements v. and vi., the Proposer must provide a detailed narrative, supported through proper documentations, as to how it will comply with those eligibility criteria. Examples of acceptable strategies could include, but is not limited to, documented contract(s)/agreement(s) with a qualified sub-contractor, that meets the eligibility criteria v. and vi. shown above. The Proposer's contract/agreement with the sub-contractor, if applicable, must contain provisions that bind the sub-contractor to the terms and conditions, as applicable, of the ARB's Contract Agreement with the Proposer.

In addition to complying with the eligibility criteria discussed above, the proposal submitted by the Proposer must meet the specific requirements stated within this solicitation. Incomplete proposals or proposals not meeting the minimum requirements may not receive consideration. ARB staff reserves the sole discretion to reject incomplete or non-responsive proposals or to request additional information during the application review process.

b. Proposal Requirements.

Proposals submitted in response to this RFP must be fully responsive to the requirements stated in this RFP, including the information shown below. Incomplete proposal, or complete proposal but with insufficient details, may be deemed ineligible by ARB. Proposals that do not meet the minimum requirements, shown below, will be determined non-responsive and ineligible for award. Proposal submitted must contain, at a minimum, the following information:

- i. Business and financial background;
- ii. Documentation of financial soundness and stability, including the Proposer's status as a CalCAP lender;
- iii. Description of the Proposer's lending history to the heavy-duty vehicle sector;
- iv. Description of the Proposer's lending process from loan application to loan approval, including the review and decision making process, including procedure(s) for credit evaluation of independent owner/operator applications versus larger fleet applications, if applicable.
- v. Description of the Proposer's loan servicing process, including procedure for handling delinquent payments;
- vi. Description of the Proposer's process for handling defaulted loans to minimize asset losses, including procedures for repossessing and disposing of defaulted assets;
- vii. Description of how the Proposer intends to conduct program outreach activities to the heavy-duty vehicle small-fleet owner/operator as well as truck dealerships and equipment vendors;
- viii. Description of the Proposer's recordkeeping and report generating capability;

2. Management Plan

A project management plan must be submitted that includes the management structure and project organization. The Proposer shall designate, by name, the Project Manager to be employed. The selected proposer shall not substitute the Project Manager without prior written approval of the State.

3. Methodology (Approach to Work)

Provide a comprehensive and detailed discussion of how the Proposer will assist ARB in implementing the principal components of the direct loan program as described in this RFP. The main components of the financing program that the Proposer shall be responsible for include: static pool loss methodology and credit risk evaluation, outreach activities, program eligibility review and loan application evaluation, loan documents preparation and signing, and loan default management.

These components are described in more details in the Scope of Work and the associated Tasks as presented in **Attachment 9**, Exhibit A, Scope of Work.

4. Project Plan and Project Schedule

The Proposer shall develop a Project Plan and Project Schedule for task completion. The Project Schedule shall provide estimated dates of completion. The Project Plan and Project Schedule must reflect the total project timeline for both Phase 1 and Phase 2. See Section I.C and **Attachment 9**, Exhibit A, Scope of Work, for details on the tasks required. Proposer could use the sample project schedule provided below or an alternate project schedule:

SAMPLE PROJECT SCHEDULE		
TASK	RESPONSIBLE PARTY (Prime or Sub-contractor)	DATE OF COMPLETION
Kickoff Meeting	Contractor, sub-contractor, ARB	
Task 1 Phase 1:	Contractor	
Task 2: Phase 1 and 2	Contractor	
Task 3: Phase 1 and 2	Contractor	
Etc....	ARB	
Final Report To ARB	Contractor	
ARB Review	ARB	

5. Equipment and Facilities

Explain where the required tasks will be primarily conducted. Explain the location(s) and resources that would be utilized to enable the signing of legal loan documents if the borrower is unable to come to the proposer's main facility.

6. Personnel

The Proposer shall list all **key** personnel who will be working on the project. Include their titles, qualifications, a summary of similar work or studies performed, a resume for each professional, a statement indicating who will be assigned to the Agreement and what tasks each professional will perform. The selected proposer shall not substitute key members of the project team without prior written approval of the State.

7. References

References must be provided using **Attachment 2**, Proposer References Form. Submission of this attachment is mandatory. Failure to fully complete and return this attachment with your proposal may cause your proposal to be rejected and deemed non-responsive. **Attachment 2** may be copied for additional references. Use the list in **Attachment 2** to this RFP, for at least three references of work for clients in a financial nature performed within the last three (3) years.

8. Subcontracts/Subcontractors

If subcontractors are to be used, the Proposer must include in the Technical Proposal, a description of each person or firm and the work to be done by each subcontractor. All subcontracts must be approved by the State, and no work shall be subcontracted without the prior written approval of the State. The cost of the subcontract work is to be itemized in the Cost Proposal as described below in the section entitled Cost Proposal Requirements, and not in the Technical Proposal. Any costs, either for the primary Proposer or for any subcontract/subcontractor, which are stated in any way in the Technical Proposal, will result in rejection of the proposal. Also, see **Attachment 5**, Bidder Declaration form, to list subcontractors to be used for this project.

9. Page Headers and Page Numbering

All pages of the Technical Proposal, including cover pages, Table of Contents, references and resumes, shall have the following header and page numbering format in the upper right-hand corner:

Technical Proposal
RE-BID RFP No. 10-622
Page ## of ##

B. Cost Proposal Requirements

Cost Proposals shall include the following required information: all information listed in Cost Detail (below). Proposers, in preparing their cost proposals for this RFP must properly account for the cost of entire contract length, including both Phase 1 and Phase 2. A Contractor Cost Sheet, **Attachment 8**, is provided. In Table 1 of the Cost Sheet, Proposer must indicate One Time Costs for Tasks 1 and 2 and Cost Per Loan for Tasks 3,4, and 5. The Total Estimated Number of Loans is fixed at 300 loans. For evaluation purposes, the Total Proposed Cost Offer will be utilized to determine the lowest, responsive bidder. Task 2, Outreach Activities, must not exceed \$120,000.

Proposers shall also include the breakdown of all Subcontractor's Costs in Table 2 of the Cost Sheet. This amount should already be included in Table 1 and is used for informational purposes only. The Total Proposed Cost for the entire contract, i.e., the awarded contract amount, for both Phase 1 and Phase 2 must not exceed \$750,000. Proposals exceeding this amount will be deemed non-responsive and ineligible for award.

Proposers shall submit a cost proposal to assist ARB in implementing the PLACE-DL program in accordance with the following estimates:

1. Number of loans, based on \$3 million available for retrofit loans and \$9 million for truck loans.
 - a. Number of retrofit loans: 200
 - b. Number of truck loans: 100
2. Default estimates:
 - a. Percent of retrofit loans defaulted: 25%
 - b. Percent of truck loans defaulted: 10%

3. Cost for Task 1, Static Pool Loss Methodology and Credit Risk Assessment Model, is a fixed, one-time cost and is payable when ARB approves and accepts the deliverable
4. Cost for Task 2, Outreach Activities, is not to exceed \$120,000 for the entire contract, and is payable when ARB approves and accepts the deliverables
5. A proposer must include all costs, from program implementation to program termination (with all outstanding assets, including defaulted assets, fully resolved to the satisfaction of ARB), to perform all contractual requirements as specified through the required tasks shown in the RFP.
6. All costs for tasks 3, 4, and 5 must be presented in the form of “cost-per-loan” and total proposed costs in accordance with the estimated number of loans as shown in Table 1, Attachment 8, Contractor Cost Sheet.
7. Final cost offer is the sum of the total proposed costs for all tasks. The total proposed cost offer for all tasks will be used by ARB to evaluate cost proposals.
8. The responsive bidder with the lowest total proposed cost offer will be awarded.

All costs shall include items such as: subcontractors, travel and for meetings as applicable; reports necessary to perform the tasks for this projects. Travel costs must be in accordance with the State of California Department of Personal Administration (DPA) guidelines used for State employee travel.

Contractor will be paid based on invoices submitted for actual services performed under contract, based on the actual number of loans processed under the PLACE-DL program and the approved costs for each loan, for the entire contract period not to exceed the original contracted amount.

1. Page Headers and Page Numbering

All pages of the Cost Proposal; the Bidder Declaration Form GSPD-05-105 (**Attachment 5**); and, if applicable, any forms pertaining to socio-economic preferences (small business, DVBE), shall have the following header and page numbering format in the upper right-hand corner:

**Cost Proposal
RE-BID RFP No. 10-622
Exhibit B, Attachment 1
Page # of ##**

IV. EVALUATION, SELECTION, AND AWARD

A. Administrative Evaluation

Phase 1: ARB will conduct an administrative evaluation in accordance with the RFP requirements to determine a proposer’s responsiveness and responsibility. Each proposal will be checked for completeness and/or absence of all required information and to ensure that the proposer meets the minimum qualifications in conformance with the submission requirements. During evaluation period, if an item is unclear, or needs further clarification, proposers may be requested to provide additional documentation.

1. Responsive and Responsible Bidder

In order to be eligible for award, a bid or proposal must be evaluated as responsive to all solicitation requirements and the bidder must be evaluated as responsible, both of which are defined below.

a. Definition of Responsive and Compliant Bid:

A bidder's solicitation response must be compliant with solicitation requirements without material deviation. This includes but is not limited to, a bid that complies with all solicitation instructions and requirements, and includes all required documentation, signed and completed certifications, and any other documents requested and/or required within the time and date specified in this solicitation.

A non-responsive bid is one that:

- does not meet the requirements stated in the solicitation
- fails to provide all required documents and attachments
- deviates substantially from requirements.

A bid that changes the terms and conditions of the solicitation or the proposed contract provisions will be considered a counterproposal and will be rejected as non-responsive.

b. Definition of Responsible Bidder:

The question of whether a particular proposer is a responsible bidder involves an evaluation of the bidder's experience, facilities, reputation, financial resources, and other factors existing at the time of contract award. If determined to be not a responsible bidder, your bid will be rejected.

In determining whether a bidder is responsible, ARB may require bidder(s) to submit evidence of their qualifications at such times, and under such conditions, as it may require. Bidders may be requested to provide artifacts of financial history to support the financial stability of the company.

B. Technical Evaluation

1. **Phase 2:** ARB will conduct an evaluation of the Technical Proposal by an evaluation committee consisting of ARB employees. If deemed necessary, independent academic, technical or policy experts may be called upon to answer any specific questions regarding the responses to the RFP. These individuals will not be voting members of the panel nor participate in the scoring process. After the technical proposals have been evaluated, only those proposals receiving a score of eighty-five (85) points or higher will move on to Phase 3, Cost Opening and Evaluation.

2. **Scoring Criterion Guidelines**

NOTE: There will be no individual sheets, no written scores, and no written notes.

The evaluation team shall determine a consensus score for each item, based on the team's verbal discussion of each proposer's responses. To determine the

consensus scoring, evaluators will meet either in person or by teleconference to discuss in detail the strengths, weaknesses, and ratings of each proposal to determine scores. The evaluation team will carefully review and discuss the completeness of the proposer's response, as well as clarity of documentation presented in the proposals submitted in response to this RFP.

The evaluation team will abide by the following Scoring Methodology:

% of Points Awarded	Interpretation	General Basis for Point Assignment
0%	Inadequate	Fails to address the requirement(s) being scored or proposer does not describe any experience related to the requirement(s). The omission(s), flaw(s), or defect(s) are significant and unacceptable.
30%	Barely Adequate	Minimally addresses the requirement(s) being scored, but one or more major considerations of the requirement(s) are not addressed, or addressed in such a limited way that it results in a low degree of confidence in the proposed solution.
70%	Adequate	Proposal response (i.e. content and/or explanation offered) is adequate to meet ARB's needs, requirements or expectations. Any omission(s), flaw(s), or defect(s), are inconsequential and acceptable.
80%	Good	Proposal response fully addresses the requirement(s) being scored. Good degree of confidence in the contractor's response or proposed solution. Minimal weaknesses are acceptable.
90%	Excellent	Proposal response fully meets ARB's needs, requirements, or expectations with a high degree of confidence in the contractor's response or proposed solution. Proposer offers one or more enhancing features, method, or approach exceeding basic expectations.
100%	Exceptional	All requirements are addressed with the highest degree of confidence in the contractor's response or proposed solution. The response exceeds the requirements in providing a superior experience, a creative approach, or an exceptional solution.

The Evaluation Criteria listed below specify the total number of points available for each requirement. Using the Scoring Methodology, the evaluation team will determine the percentage of points to be awarded to each requirement, and multiply that percentage by the total number of points available for that requirement to determine the score. Numbers will be rounded up or down to a full digit (e.g., 4.5 will be rounded up to 5, and 4.4 will be rounded down to 4).

3. Evaluation Criteria

The following criteria will be used by reviewers evaluating proposals submitted in response to this RFP.

Each panel member of the evaluation team will review each proposal and assign points for each criterion discussed below using the consensus scoring methodology. The reviewers will meet either in person or by teleconference to discuss in detail the strengths, weaknesses, and ratings of each proposal to determine scores.

- a. Experience (10 points). [Section III, A – Minimum Qualifications; and Section III, A.6 - Personnel] For this criterion, reviewers will rate the proposer's experience and breadth of knowledge in: the development and implementation of a financing program for the heavy-duty vehicle sector (4 points); the underwriting of loans, including but not limited to the review and analysis of credit and/or financial information and preparation of loan documents (4 points); loan servicing and asset disposition in cases of loan defaults (2 points). Reviewers will also award points for exceeding the minimum qualifications.
- b. Project Plan and Project Schedule (15 points). [Section III, A – Project Plan & Project Schedule] For this criterion, reviewers will consider the following aspects of the proposals: availability of key personnel devoted to each task (individual efforts as well as task totals) (5 points); the feasibility of the project schedule (5 points), and proposed methods for measuring project progress against the plan (5 points).
- c. Technical Approach to the Work (40 points). [Section III, A.2 – Management Plan; and Section III.A.3 – Methodology] The purpose of this criterion is to provide proposers the opportunity to demonstrate their knowledge in the subject of the RFP and to lay the groundwork for the actual work to be performed for this project. This portion of the proposal should spell out, in adequate detail, exactly what the proposer proposes to do to satisfy the requirements of the RFP. Specifically, how the proposer will incorporate the goals of the RFP in the proposal to effectively achieve those goals; how the proposer intends to analyze credit and financial information to enable small fleet owners/operators to qualify for financing under the ARB PLACE-DL program while minimizing the risk of loan defaults (10 points); how the proposer plans to address the needs of borrowers to have loan documents available at convenient time and location for them to sign if their loan applications were approved (10 points); how the proposer plans to recover and recoup the value of the defaulted asset (10 points). In addition to the preceding specific tasks, as part of the criterion, proposers should demonstrate their understanding of the questions or needs that ARB is seeking to have addressed (10 points). The technical approach and work plan are considered the heart of the proposal and will receive a high level of scrutiny. This part of the proposal will be compared against the RFP requirements to ensure that all specified tasks and deliverables are responsive.
- d. Static Pool Loss Methodology and Credit Risk Assessment Model (10 points). [Section III, A.3 – Methodology]
For this criterion, reviewers will rate the proposer's static pool loss methodology to determine the potential losses due to loan defaults from the targeted group of

borrowers as defined by ARB (5 points). The reviewers will also rate the proposer's proposed risk assessment model (5 points). The reviewers will consider whether the proposer's static pool loss methodology and the credit risk assessment model adequately address the needs of ARB through the inclusion of the targeted borrowers, their credit and financial profiles, potential losses and the associated range of interest rates to overcome those risks that correlate with the targeted group, etc.

- e. Loan Default Recovery Plan (15 points). [Section III, A.3 – Methodology] The reviewers will evaluate the proposed loan default recovery plan to assess whether the proposed plan has fully addressed the objectives stated in the RFP.
- f. Outreach (10 points). [Section III A.3 – Methodology] The purpose of this criterion is to ensure that the proposer submitted a comprehensive outreach plan with effective strategies to help ARB implement the direct loan program. The outreach plan must include, at a minimum, published materials to disseminate program information to fleet owners, strategies to educate potential borrowers about ARB's loan program. The implementation plan shall also have plans to inform and entice truck dealers' and equipment vendors' participation to ARB's loan program. Reviewers will consider the proposal's outreach plan to determine if it fully satisfies the RFP requirements. The proposal contained an outreach plan for the general trucking industry fleet owners/operators (5 points); proposal contained an outreach plan for the independent truck owners/operators (5 points).

4. Sample Proposal Evaluation Form

Name of Proposer: _____

MINIMUM QUALIFICATIONS			Yes/No
The proposal contains an explanation outlining how the proposer meets the minimum qualifications.			
Proposer Requirements			Yes/No
1. Proposer must meet the definition of financial institutions, as defined in Section I.E. of this RFP			
2. Proposer must be an approved CalCAP lender, as defined in Section I.E, or could become a CalCAP lender by the final proposal submittal date. Documentation submitted in the Technical Proposal to show their status as a CalCAP lender			Yes/No
3. Proposer must provide proof of their authority to provide financial services in California			Yes/No
4. Proposer must have at least three (3) years of experience in providing financing to the heavy-duty vehicle sector by the final proposal submittal date.			Yes/No

5. Proposer, or sub-contractor if applicable, must have demonstrated ability and at least three (3) years of experience in outreaching to the heavy-duty vehicle sector, especially small fleet owners/operators			Yes/No
6. Proposer, or sub-contractor if applicable, must have the ability and/or resources to repossess and dispose of defaulted assets			Yes/No
Proposal Requirements			Yes/No
1. Business and financial background			
2. Documentation of financial soundness and stability, including the Proposer's status as a CalCAP lender			Yes/No
3. Description of the Proposer's lending history to the heavy-duty vehicle sector			Yes/No
4. Description of the Proposer's lending process from loan application to loan approval, including the review and decision making process, including procedure(s) for credit evaluation of independent owner/operator applications versus larger fleet applications, if applicable			Yes/No
5. Description of the Proposer's loan servicing process, including procedure for handling delinquent payments			Yes/No
6. Description of the Proposer's process for handling defaulted loans to minimize asset losses, including procedures for repossessing and disposing of defaulted assets			Yes/No
7. Description of how the Proposer intends to conduct program outreach activities to the heavy-duty vehicle small-fleet owner/operator as well as truck dealerships and equipment vendors			Yes/No
8. Description of the Proposer's recordkeeping and report generating capability			Yes/No
If proposer has met all administrative requirements, and meets all minimum qualifications above, then a panel of three (3) or more individuals will evaluate the proposer's submittal for the following items.			
<i>If minimum qualifications are NOT met, STOP HERE</i>			
TECHNICAL SCORING ITEMS			
1. EXPERIENCE	% of Points Awarded	Points Available 10	Points Awarded
Rate the proposer's experience and breadth of knowledge in: the development and implementation of a financing program for the			

heavy-duty vehicle sector (4 points); the underwriting of loans, including but not limited to the review and analysis of credit and/or financial information and preparation of loan documents (4 points); loan servicing and asset disposition in cases of loan defaults (2 points). Reviewers will also award points for exceeding the minimum qualifications.			
2. PROJECT PLAN AND PROJECT SCHEDULE	% of Points Awarded	Points Available 15	Points Awarded
Reviewers will consider the following aspects of the proposals: availability of key personnel devoted to each task (individual efforts as well as task totals)(5 points); the feasibility of the project schedule (5 points); and proposed methods for measuring project progress against the plan (5 points).			
3. TECHNICAL APPROACH TO THE WORK	% of Points Awarded	Points Available 40	Points Awarded
The purpose of this criterion is to provide proposers the opportunity to demonstrate their knowledge in the subject of the RFP and to lay the groundwork for the actual work to be performed for this project. Specifically, how the proposer will incorporate the goals of the RFP in the proposal to effectively achieve those goals; how the proposer intends to analyze credit and financial information to enable small fleet owners/operators to qualify for financing under the ARB PLACE-DL program while minimizing the risk of loan defaults (10 points); how the proposer plans to address the needs of borrowers to have loan documents available at convenient time and location for them to sign if their loan applications were approved (10 points); how the proposer plans to recover and recoup the value of the defaulted asset (10 points). In addition to the preceding specific tasks, as part of the criterion, proposers should demonstrate their understanding of the questions or needs that ARB is seeking to have addressed (10 points). The technical approach and work plan are considered the heart of the proposal and will receive a high level of scrutiny.			
4. STATIC POOL LOSS METHODOLOGY & CREDIT RISK ASSESSMENT MODEL	% of Points Awarded	Points Available 10	Points Awarded
Reviewers will rate the proposer's static pool loss methodology to determine the potential losses due to loan defaults from the targeted group of			

borrowers as defined by ARB (5 points). Reviewers will also rate the proposer's proposed risk assessment model (5 points). The reviewers will consider whether the proposer's static pool loss methodology and the credit risk assessment model adequately address the needs of ARB through the inclusion of the targeted borrowers, their credit and financial profiles, potential losses and the associated range of interest rates to overcome those risks that correlate with the targeted group, etc.			
2. LOAN DEFAULT RECOVERY PLAN	% of Points Awarded	Points Available 15	Points Awarded
Reviewers will evaluate the proposed loan default recovery plan to assess whether the proposed plan has fully addressed the objectives stated in the RFP including repossession, reconditioning and remarketing recovered assets.			
6. OUTREACH	% of Points Awarded	Points Available 10	Points Awarded
Reviewers will consider the proposal's outreach plan to determine if it fully satisfies the RFP requirements. The proposal contained an outreach plan for the general trucking industry fleet owners/operators (5 points); proposal contained an outreach plan for the independent truck owners/operators (5 points).			
TOTAL TECHNICAL POINTS	Maximum Available 100		SCORE

C. Cost Proposal Opening and Evaluation

1. Phase 3: After the technical proposals have been evaluated, only those technical proposals receiving a score of eighty-five (85) or higher will move on to Phase 3, Cost Opening and Evaluation. Those Technical Proposals receiving less than the above minimum score will not receive further consideration.
2. The Cost Proposal envelopes will be publicly opened and read on the date and time indicated in Section II.A., Key Action Dates, at 1001 I Street, Sacramento, CA, 95814. The Agreement will be awarded to the lowest responsive, responsible Proposer meeting the requirements outlined in this RFP.
3. Preferences will be applied as required to eligible proposals. Please see Section II, Item I. Socio-Economic and Preference Programs.

D. Proposal Rejection

1. Proposals must be submitted for the performance of all the services as described herein. Any material deviation from the RFP will not be considered and may cause a proposal to be rejected.
2. Proposals must be complete in all respects as required by the RFP. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The State does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter proposal and will be rejected.
3. ARB reserves the right to reject any or all proposals for any reason. The State may reject any or all proposals and may waive any deviation deemed immaterial in a proposal. The State's waiver of an immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement. All deviations will be examined to determine whether the deviation is immaterial (e.g., errors in mathematical computation or spelling). **A material deviation will cause rejection of the proposal. A proposal shall be rejected if any such defect or irregularity constitutes a material deviation from the RFP requirements.** If a deviation is deemed immaterial, then the proposal will be processed as if no deviation has occurred.
4. Proposals that contain false or misleading statements, or which provide references that do not support an attribute or condition claimed by the proposal, may be rejected. If, in the opinion of the State, such information was intended to mislead the State in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFP, it will be the basis for rejection of the proposal.
5. Proposals received past the date and time specified in Section II, A., "Key Action Dates" will be deemed non-responsive and rejected. Under no circumstances will any proposals be accepted past the date and time stated in Section II.A. All such proposals received past the date and time will not be accepted, and will be returned, unopened.

E. Selection

1. If no proposals are received offering a price that in the opinion of the Department is a reasonable price or in the State's best interest, the Department is not required to award an Agreement (Public Contract Code 10344 (d)).
2. The prospective Contractor is advised that should this RFP result in an award of an Agreement, the Agreement will not be in force and no work shall be performed until the Agreement is fully approved by the State Department of General Services and the Contractor is notified by the Contract Manager to begin work.
3. Contract shall be signed by the selected proposer and returned within (10) ten working days of receipt. If the selected proposer refuses or fails to execute the contract, the ARB may award the contract to the second lowest cost proposer.

F. Notice of Proposed Award

Notice of the proposed award shall be posted in a public place in the lobby on the 1st Floor of the Cal/EPA building at 1001 I Street, Sacramento, California, for five (5) working days prior to awarding the Agreement.

Proposers have the right to protest the proposed award subject to the following processes and procedures.

Proposers may protest by filing a notice of protest with the Air Resources Board and the Department of General Services, Office of Legal Services. The Agreement(s) shall not be awarded until either the protest has been withdrawn or the State has decided the matter.

Protest notices should contain full contact information, including a fax number, and must be filed with both offices listed below:

Air Resources Board Contract & Procurement Services Section Attention: Manager 1001 I Street, 20 th Floor Sacramento, CA 95814 Phone Number: (916) 327-1799 Fax Number: (916) 327-2940	Department of General Services Office of Legal Services Attention: Protest Coordinator 707 Third Street, 7 th Floor, Suite 7-330 West Sacramento, CA 95605 Phone Number: (916) 376-5080 Fax Number: (916) 376-5088
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Within five (5) calendar days after filing a protest notice, the protesting Proposer shall file with the Department of General Services, Office of Legal Services and the Air Resources Board a detailed written statement specifying the grounds for the protest.

G. Standard Conditions of Service

1. Service shall be available no sooner than the express date set by the Air Resources Board and the Contractor, after all approvals have been obtained and the Agreement is fully executed. Should the Contractor fail to commence work at the agreed upon time, the Air Resources Board, upon five (5) days written notice to the Contractor, reserves the right to terminate the Agreement. In addition, the Contractor shall be liable to the State for the difference between Contractor's Proposal price and the actual cost of performing work by the second responsive and responsible Proposer or by another Contractor.
2. All performance under the Agreement shall be completed on or before the termination date of the Agreement.
3. The State does not accept alternate Agreement language from a prospective contractor. A proposal with such language will be considered a counter proposal and will be rejected. **The State's General Terms and Conditions (GTC) are not negotiable.** The General Terms and Conditions GTC-610 may be viewed at Internet site www.dgs.ca.gov/contracts.
4. The selected proposer cannot subcontract out services without prior approval from ARB's contract coordinator as listed in the RFP or Standard Agreement Contract

(STD 213). The ARB will review request for approval only after proposal has been accepted, deemed responsive and responsible, and awarded contract. If subcontracting is approved or allowed under terms of the proposal package, proposer **must submit** with the RFP, the following subcontractor information: business name, business address, phone number, Federal Identification Number, number of employees, financial statement, signed certification that business is qualified and licensed to do business in California, signed certification that subcontractor has a minimum of two years experience working in economic and environmental modeling, any other documents required such as license, performance bonds, insurance, etc., and a signed certification that subcontractor will abide by all terms and conditions as stated in proposal document and in Standard Contract Agreement.

5. No oral understanding or agreement shall be binding on either party.

H. Post-Award Contract Deliverables

See **Attachment 9**, Draft Standard Agreement, Exhibit A, for all contract deliverables, including insurance requirements in Exhibit D.

ATTACHMENT 1
REQUIRED ATTACHMENT CHECK LIST
For RE-BID RFP # 10-622

Proposer's Name: _____

A complete proposal package will consist of all the items listed in the RFP, as well as those items identified below. **Be sure that your proposal includes all required documents as stated in this RFP, not just those listed in this checklist.** Please refer to Section IV, A., 1, regarding "Responsive/Compliant Proposal" and "Responsible Bidder/Proposer."

<u>Attachment</u>	<u>Attachment Name/Description</u>
_____ Attachment 1	Required Attachment Check List (include this list with your proposal package)
_____ Attachment 2	Proposer References Form
_____ Attachment 3	Std. 204 Payee Data Record
_____ Attachment 4	DVBE Instructions (Informational Only)
_____ Attachment 5	Bidder Declaration GSPD-05-105 (All bidders must complete and sign)
_____ Attachment 6	Contractor Certification Clause (CCC 307)
_____ Attachment 7	Darfur Contracting Act Certification
_____ Attachment 8	Contractor Cost Sheet
_____ Attachment 9	Draft Standard Agreement (Informational Only)

ATTACHMENT 2 **PROPOSER REFERENCES FORM**

Submission of this attachment is *mandatory*. Failure to complete and return this attachment with your proposal may cause your proposal to be rejected and deemed non-responsive.

Complete the below table listing information for three references illustrating at least three years of work experience of a financial institution.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service		
Brief Description of Service Provided			
REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service		
Brief Description of Service Provided			
REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service		
Brief Description of Service Provided			

(Required when receiving payment from the State of California in lieu of IRS W-9)
STD. 204 (Rev. 6-2003)

1	INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement. NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.																																					
2	PAYEE'S LEGAL BUSINESS NAME (Type or Print) <hr/> <table border="1" style="width:100%"><tr><td style="width:60%">SOLE PROPRIETOR – ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)</td><td style="width:40%">E-MAIL ADDRESS</td></tr><tr><td>MAILING ADDRESS</td><td>BUSINESS ADDRESS</td></tr><tr><td>CITY, STATE, ZIP CODE</td><td>CITY, STATE, ZIP CODE</td></tr></table>			SOLE PROPRIETOR – ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)	E-MAIL ADDRESS	MAILING ADDRESS	BUSINESS ADDRESS	CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE																													
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MAILING ADDRESS	BUSINESS ADDRESS																																					
CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE																																					
3 PAYEE ENTITY TYPE CHECK ONE BOX ONLY	ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): <table border="1" style="display:inline-table; vertical-align:middle"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> <table border="0" style="width:100%"><tr><td style="width:35%"><input type="checkbox"/> PARTNERSHIP</td><td style="width:35%">CORPORATION:</td><td style="width:30%;"></td></tr><tr><td><input type="checkbox"/> ESTATE OR TRUST</td><td><input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)</td><td></td></tr><tr><td></td><td><input type="checkbox"/> LEGAL (e.g., attorney services)</td><td></td></tr><tr><td></td><td><input type="checkbox"/> EXEMPT (nonprofit)</td><td></td></tr><tr><td></td><td><input type="checkbox"/> ALL OTHERS</td><td></td></tr></table> <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER: <table border="1" style="display:inline-table; vertical-align:middle"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table> <small>(SSN required by authority of California Revenue and Tax Code Section 18546)</small>												<input type="checkbox"/> PARTNERSHIP	CORPORATION:		<input type="checkbox"/> ESTATE OR TRUST	<input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)			<input type="checkbox"/> LEGAL (e.g., attorney services)			<input type="checkbox"/> EXEMPT (nonprofit)			<input type="checkbox"/> ALL OTHERS												NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.
<input type="checkbox"/> PARTNERSHIP	CORPORATION:																																					
<input type="checkbox"/> ESTATE OR TRUST	<input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)																																					
	<input type="checkbox"/> LEGAL (e.g., attorney services)																																					
	<input type="checkbox"/> EXEMPT (nonprofit)																																					
	<input type="checkbox"/> ALL OTHERS																																					
4 PAYEE RESIDENCY STATUS	<input type="checkbox"/> California resident - Qualified to do business in California or maintains a permanent place of business in California. <input type="checkbox"/> California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding. <div style="margin-left: 20px;"><input type="checkbox"/> No services performed in California. <input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached.</div>																																					
5	I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below. <table border="1" style="width:100%"><tr><td style="width:70%">AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)</td><td style="width:30%">TITLE</td></tr><tr><td>SIGNATURE</td><td>DATE</td></tr><tr><td></td><td>TELEPHONE () - - </td></tr></table>			AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)	TITLE	SIGNATURE	DATE		TELEPHONE () - -																													
AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)	TITLE																																					
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6	Please return completed form to: Department/Office: _____ Unit/Section: _____ Mailing Address: _____ City/State/Zip: _____ Telephone: () - - Fax: () - - _____ E-mail Address: _____																																					

Attachment 3 (page 2)

STATE OF CALIFORNIA-DEPARTMENT OF FINANCE

PAYEE DATA RECORD

STD. 204 (Rev. 6-2003)(REVERSE)(CA ST PKGS, EXCEL 9/2/2004)

1	<p><u>Requirement to Complete Payee Data Record, STD. 204</u></p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code</p>
2	<p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p>
3	<p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p>
4	<p><u>Are you a California resident or nonresident?</u></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below: Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov</p>
5	<p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>
6	<p>This section must be completed by the State agency requesting the STD. 204.</p>
	<p><u>Privacy Statement</u></p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p>

ATTACHMENT 4 CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) BID INCENTIVE INSTRUCTIONS

(09/03/09)

Please read the instructions carefully before you begin.

AUTHORITY. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC), §10115 et seq., Military and Veterans Code (MVC), §999 et seq., and California Code of Regulations (CCR), Title 2, §1896.60 et seq. **Recent legislation has modified the program significantly in that a bidder may no longer demonstrate compliance with program requirements by performing a “good faith effort” (GFE).**

This solicitation does not include a minimum DVBE participation percentage or goal.

DVBE BID INCENTIVE. A DVBE incentive will be given to bidders who provide DVBE participation. For evaluation purposes only, the State shall apply a DVBE Bid incentive to bids that propose California certified DVBE participation as identified on the Bidder Declaration, GSPD-05-105, (located elsewhere within the solicitation document) and confirmed by the State. The DVBE incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation. Unless a table that replaces the one below has been expressly established elsewhere within the solicitation, the following percentages will apply for awards based on low price.

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%
2% to 2.99% inclusive	2%
1% to 1.99% inclusive	1%

As applicable: (1) Awards based on low price - the net bid price of responsive bids will be reduced (for evaluation purposes only) by the amount of DVBE incentive as applied to the lowest responsive net bid price. If the #1 ranked responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses. The incentive adjustment for awards based on low price cannot exceed 5% or \$100,000, whichever is less, of the #1 ranked net bid price. When used in combination with a preference adjustment, the cumulative adjustment amount cannot exceed \$100,000.

(2) Awards based on highest score - the solicitation shall include an individual requirement that identifies incentive points for DVBE participation.

INTRODUCTION. Bidders must document DVBE participation commitment by completing and submitting a Bidder Declaration, GSPD-05-105, (located elsewhere within the solicitation document). Bids or proposals (hereafter called “bids”) that **fail to submit the required form to confirm the level of DVBE participation will not be eligible to receive the DVBE incentive.**

Information submitted by the intended awardee to claim the DVBE incentive(s) will be verified by the State. If evidence of an alleged violation is found during the verification process, the State shall initiate an investigation, in accordance with the requirements of the PCC §10115, et seq., and MVC §999 et seq., and follow the investigatory procedures required by the 2 CCR §1896.80. Contractors found to be in violation of certain provisions may be subject to loss of certification, penalties and/or contract termination.

Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs (hereafter called “DVBE”) who perform a commercially useful function relevant to this solicitation, may be used to qualify for a DVBE incentive(s). The criteria and definition for performing a commercially useful function are contained herein on the page entitled **Resources & Information**. Bidders are to verify each DVBE subcontractor’s certification with OSDS to ensure DVBE eligibility.

At the State’s option prior to award of the contract, a written confirmation from each DVBE subcontractor identified on the Bidder Declaration must be provided. As directed by the State, the written confirmation must be signed by the bidder and/or the DVBE subcontractor(s). The written confirmation may request information that includes but is not limited to the DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, and total amount to be paid to the DVBE. If further verification is necessary, the State will obtain additional information to verify compliance with the above requirements.

THE DVBE BUSINESS UTILIZATION PLAN (BUP): DVBE BUPs are a company’s commitment to expend a minimum of 3% of its total statewide contract dollars with DVBEs -- this percentage is based on all of its contracts held in California, not just those with the State. A DVBE BUP does not qualify a firm for a DVBE incentive. Bidders with a BUP, must submit a Bidders Declaration (GSPD-05-105) to confirm the DVBE participation for an element of work on this solicitation in order to claim a DVBE incentive(s).

THE FOLLOWING MAY BE USED TO LOCATE DVBE SUPPLIERS:

Awarding Department: Contact the department’s contracting official named in this solicitation for any DVBE suppliers who may have identified themselves as potential subcontractors, and to obtain suggestions for search criteria to possibly identify DVBE suppliers for the solicitation. You may also contact the department’s SB/DVBE Advocate for assistance.

Other State and Federal Agencies, and Local Organizations:

STATE: Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at www.eprocure.dgs.ca.gov

To begin your search, click on “SB/DVBE Search.” Search by “Keywords” or “United Nations Standard Products and Services Codes (UNSPSC)” that apply to the elements of work you want to subcontract to a DVBE. Check for subcontractor ads that may be placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. You may access the CSCR at: www.eprocure.dgs.ca.gov. For questions regarding the online certified firm database and the CSCR, please call the OSDS at (916) 375-4940 or send an email to: OSDCHelp@dgs.ca.gov.

FEDERAL: Search the U.S. Small Business Administration’s (SBA) Central Contractor Registration (CCR) on-line database at www.ccr.gov/ to identify potential DVBEs and click on the “Dynamic Small Business Search” button. Search options and information are provided on the CCR Dynamic Small Business Search site. First time users should click on the “help” button for detailed instructions. Remember to verify each firm’s status as a California certified DVBE.

LOCAL: Contact local DVBE organization to identify DVBEs. For a list of local organizations, go to www.pd.dgs.ca.gov/smbus and select: **DVBE Local Contacts** (New 02/09) (pdf).

RESOURCES AND INFORMATION

For questions regarding bid documentation requirements, **contact the contracting official at the awarding department for this solicitation**. For a directory of SB/DVBE Advocates for each department go to: <http://www.pd.dgs.ca.gov/smbus/advocate.htm>.

The Department of General Services, Procurement Division (DGS-PD) publishes a list of trade and focus publications to assist bidders in locating DVBEs for a fee. To obtain this list, please go to www.pd.dgs.ca.gov/smbus and select:

- **DVBE Trade Paper Listing** (New 02/09) (pdf)
- **DVBE Focus Paper Listing** (New 02/09) (pdf)

U.S. Small Business Administration (SBA):
Use the Central Contractor Registration (CCR) on-line database.
Internet contact only –Database: www.ccr.gov/.

FOR:
Service-Disabled Veteran-owned businesses
in California (Remember to verify each DVBE’s
California certification.)

Local Organizations: Go to www.pd.dgs.ca.gov/smbus and select:
[DVBE Local Contacts](#) (New 02/09) (pdf)

FOR:
List of potential DVBE subcontractors

DGS-PD EProcurement
Website: www.eprocure.dgs.ca.gov
Phone: (916)375-2000
Email: eprocure@dgs.ca.gov

FOR:

- SB/DVBE Search
- CSCR Ads
- Click on Training tab to Access eProcurement Training Modules including: Small Business (SB)/DVBE Search

DGS-PD Office of Small Business and DVBE Services (OSDS)
707 Third Street, Room 1-400, West Sacramento, CA 95605
Website: www.pd.dgs.ca.gov/smbus
OSDS Receptionist, 8 am-5 pm: (916) 375-4940
PD Receptionist, 8 am-5 pm: (800) 559-5529
Fax: (916) 375-4950
Email: osdchelp@dgs.ca.gov

FOR:

- Directory of California-Certified DVBEs
- Certification Applications
- Certification Information
- Certification Status, Concerns
- General DVBE Program Info.
- DVBE Business Utilization Plan
- Small Business/DVBE Advocates

Commercially Useful Function Definition

California Code of Regulations, Title 2, § 1896.61(l):

The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing a commercially useful function.

As defined in MVC §999, a person or an entity is deemed to perform a "commercially useful function" if a person or entity does **all** of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.

ATTACHMENT 5 Bidder Declaration

State of California—Department of General Services, Procurement Division

Solicitation Number _____

GSPD-05-105 (REV 08/09)

BIDDER DECLARATION

1. Prime bidder information (Review attached Bidder Declaration Instructions prior to completion of this form):

- a. Identify current California certification(s) (MB, SB, NVSA, DVBE): _____ Or _____ None _____ If "None", go to Item #2)
- b. Will subcontractors be used for this contract? Yes _____ No _____ (If yes, indicate the distinct element of work your firm will perform in this contract e.g., list the proposed products produced by your firm, state if your firm owns the transportation vehicles that will deliver the products to the State, identify which solicited services your firm will perform, etc.). Use additional sheets, as necessary.

- c. If you are a California certified DVBE: (1) Are you a broker or agent? Yes _____ No _____
(2) If the contract includes equipment rental, does your company own at least 51percent of the equipment provided in this contract (quantity and value)? Yes _____ No _____ N/A _____

2. If no subcontractors will be used, skip to certification below. Otherwise, list all subcontractors for this contract. (Attach additional pages if necessary):

Subcontractor Name, Contact Person, Phone Number & Fax Number	Subcontractor Address & Email Address	CA Certification (MB, SB, NVSA, DVBE or None)	Work performed or goods provided for this contract	Corresponding percent of bid price	Good Standing?	51percent Rental?

CERTIFICATION: By signing the bid response, I certify under penalty of perjury that the information provided is true and correct.

BIDDER DECLARATION Instructions

All prime bidders (the firm submitting the bid) must complete the Bidder Declaration.

- 1.a. Identify all current certifications issued by the State of California. If the prime bidder has no California certification(s), check the line labeled "None" and proceed to Item #2. If the prime bidder possesses one or more of the following certifications, enter the applicable certification(s) on the line:

- Microbusiness (MB)
- Small Business (SB)
- Nonprofit Veteran Service Agency (NVSA)
- Disabled Veteran Business Enterprise (DVBE)

- 1.b. Mark either "Yes" or "No" to identify whether subcontractors will be used for the contract. If the response is "No", proceed to Item #1.c. If "Yes", enter on the line the distinct element of work contained in the contract to be performed or the goods to be provided by the prime bidder. Do not include goods or services to be provided by subcontractors.

Bidders certified as MB, SB, NVSA, and/or DVBE must provide a commercially useful function as defined in Military and Veterans Code Section 999 for DVBEs and Government Code Section 14837(d)(4)(A) for small/microbusinesses.

Bids must propose that certified bidders provide a commercially useful function for the resulting contract or the bid will be deemed non-responsive and rejected by the State. For questions regarding the solicitation, contact the procurement official identified in the solicitation.

Note: A subcontractor is any person, firm, corporation, or organization contracting to perform part of the prime's contract.

- 1.c. This item is only to be completed by the businesses certified by California as a DVBE.

(1) Declare whether the prime bidder is a broker or agent by marking either "Yes" or "No." The Military and Veterans Code Section 999.2(b) defines "broker" or "agent" as a certified DVBE contractor or subcontractor that does not have title, possession, control, and risk of loss of materials, supplies, services, or equipment provided to an awarding department, unless one or more of the disabled veteran owners has at least 51-percent ownership of the quantity and value of the materials, supplies, services, and of each piece of equipment provided under the contract.

(2) If bidding rental equipment, mark either "Yes" or "No" to identify if the prime bidder owns at least 51% of the equipment provided (quantity and value). If **not** bidding rental equipment, mark "N/A" for "not applicable."

2. If no subcontractors are proposed, do not complete the table. Read the certification at the bottom of the form and complete "Page ___ of ___" on the form. If subcontractors will be used, complete the table listing all subcontractors. If necessary, attach additional pages and complete the "Page ___ of ___" accordingly.

2. (continued) Column Labels

Subcontractor Name, Contact Person, Phone Number & Fax Number—List each element for all subcontractors.

Subcontractor Address & Email Address—Enter the address and if available, an Email address.

CA Certification (MB, SB, NVSA, DVBE or None)—If the subcontractor possesses a current State of California certification(s), verify on the OSDC website (www.eprocure.pd.dgs.ca.gov).

Work performed or goods provided for this contract—Identify the distinct element of work contained in the contract to be performed or the goods to be provided by each subcontractor. Certified subcontractors must provide a commercially useful function for the contract. (See paragraph 1.b above for code citations regarding the definition of commercially useful function.) If a certified subcontractor is further subcontracting a greater portion of the work or goods provided for the resulting contract than would be expected by normal industry practices, attach a separate sheet of paper explaining the situation.

Corresponding % of bid price—Enter the corresponding percentage of the total bid price for the goods and/or services to be provided by each subcontractor. Do not enter a dollar amount.

Good Standing?—Provide a response for each subcontractor listed. Enter either "Yes" or "No" to indicate that the prime bidder has verified that the subcontractor(s) is in good standing for all of the following:

- Possesses valid license(s) for any license(s) or permits required by the solicitation or by law
- If a corporation, the company is qualified to do business in California and designated by the State of California Secretary of State to be in good standing.
- Possesses valid State of California certification(s) if claiming MB, SB, NVSA, and/or DVBE status

51% Rental?—This pertains to the applicability of rental equipment. Based on the following parameters, enter either "N/A" (not applicable), "Yes" or "No" for each subcontractor listed.

Enter "N/A" if the:

- Subcontractor is NOT a DVBE (regardless of whether or not rental equipment is provided by the subcontractor) or
- Subcontractor is NOT providing rental equipment (regardless of whether or not subcontractor is a DVBE)

Enter **"Yes"** if the subcontractor is a California certified DVBE providing rental equipment and the subcontractor owns at least 51% of the rental equipment (quantity and value) it will be providing for the contract.

Enter **"No"** if the subcontractor is a California certified DVBE providing rental equipment but the subcontractor does NOT own at least 51% of the rental equipment (quantity and value) it will be providing.

Read the certification at the bottom of the page and complete the "Page ___ of ___" accordingly.

ATTACHMENT 6
Contractor Certification Clauses

CCC-307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>	<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County of</i>

1. **STATEMENT OF COMPLIANCE**: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS**: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. **NATIONAL LABOR RELATIONS BOARD CERTIFICATION**: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against

Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT:

Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

- a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
- c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

<http://www.ols.dgs.ca.gov/Standard+Language/default.htm>

**ATTACHMENT 7
DARFUR CONTRACTING ACT CERTIFICATION**

Public Contract Code Sections 10475 -10481 applies to any company that currently or within the previous three years has had business activities or other operations outside of the United States. For such a company to bid on or submit a proposal for a State of California contract, the company must certify that it is either a) not a scrutinized company; or b) a scrutinized company that has been granted permission by the Department of General Services to submit a proposal.

If your company has not, within the previous three years, had any business activities or other operations outside of the United States, you do **not** need to complete this form.

OPTION #1 - CERTIFICATION

If your company, within the previous three years, has had business activities or other operations outside of the United States, in order to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete the certification below.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that a) the prospective proposer/bidder named below is **not** a scrutinized company per Public Contract Code 10476; and b) I am duly authorized to legally bind the prospective proposer/bidder named below. This certification is made under the laws of the State of California.

<i>Company/Vendor Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County and State of</i>	

OPTION #2 – WRITTEN PERMISSION FROM DGS

Pursuant to Public Contract Code section 10477(b), the Director of the Department of General Services may permit a scrutinized company, on a case-by-case basis, to bid on or submit a proposal for a contract with a state agency for goods or services, if it is in the best interests of the state. If you are a scrutinized company that has obtained written permission from the DGS to submit a bid or proposal, complete the information below.

We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

<i>Company/Vendor Name (Printed)</i>	<i>Federal ID Number</i>
<i>Initials of Submitter</i>	
<i>Printed Name and Title of Person Initialing</i>	

ATTACHMENT 8
CONTRACTOR COST SHEET

Contractor shall be paid in accordance with the rates shown below. Please indicate in the boxes below how much you will charge, as needed, for both Phase 1 and Phase 2. For evaluation purposes only, the **Total Proposed Cost**, as shown in Table 1, will be utilized to determine the lowest, responsive bidder. The amount of the total cost offer may not necessarily be the firm fixed amount of the contract due to the unknown number of loans that will be processed. All costs shall include items such as subcontractors, travel, meetings, and reports, as necessary to perform the tasks of this project.

PHASE 1 & 2 - COST FOR TRUCK PURCHASES / RETROFITS / SMARTWAY PRODUCTS

Table 1
Total Cost Offer (including all subcontractor costs if applicable)

Description of Services	One Time Cost	Cost per Loan	Total estimate # of loans (DO NOT CHANGE)	Total Proposed Cost
Task 1 - Static Pool Loss and Credit Risk Assessment Model	\$	N/A	N/A	\$
Task 2 - Outreach Activities (amount must not exceed \$120,000)	\$	N/A	N/A	\$
Task 3 - Program Eligibility and Loan Evaluation	N/A		300	
Task 4 - Loan Documents Preparation and Signing	N/A		300	
Task 5 – Loan Default Management (see default estimate described in the Section III.B., Cost Proposal Requirements, of the RFP)	N/A	\$	60	
	\$	\$	N/A	\$

Total Proposed Cost Offer \$ _____

Table 2 – Informational Only
(Complete this table only if subcontractors are used)
Breakdown of Subcontractor costs already included in Table 1

Please include the total amount per task for all subcontractors in the table below.

Description of Services	One Time Cost	Cost per Loan
Task 1 - Static Pool Loss and Credit Risk Assessment Model		N/A
Task 2 - Outreach Activities		N/A
Task 3 - Program Eligibility and Loan Evaluation	N/A	\$
Task 4 - Loan Documents Preparation and Signing	N/A	\$
Task 5 – Loan Default Management	N/A	\$
Total Subcontractor Cost	\$	\$

ATTACHMENT 9 DRAFT STANDARD AGREEMENT

STATE OF CALIFORNIA
STANDARD AGREEMENT

STD 213 (Rev 06/03)

AGREEMENT NUMBER 10-622
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
Air Resources Board (ARB)

CONTRACTOR'S NAME
(Contractor)

2. The term of this June 30, 2011 through June 30, 2013
Agreement is:

3. The maximum amount \$
of this Agreement is:

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	9 pages
Exhibit B – Budget Detail and Payment Provisions	2 pages
Exhibit B, Attachment I, Contractor Cost Sheet	2 pages
Exhibit C* – General Terms and Conditions (GTC-610)	On-line
Exhibit D - Special Terms and Conditions	3 pages
Exhibit E – Additional Provisions	2 pages
Exhibit F – Sample Monthly Report	2 pages
Exhibit G – Sample Final Report Format	5 pages

Items shown with an Asterisk (), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language*

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

Air Resources Board

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

1001 I Street, Floor 20, Sacramento, CA 95814

**California Department of
General Services Use Only**

☐ Exempt per:

EXHIBIT A **SCOPE OF WORK**

I. Purpose

The purpose of this Agreement is for the Contractor to assist the Air Resources Board (ARB) staff, in the implementation of a low-interest financing program for small trucking fleets to acquire 2010 model year and newer heavy-duty vehicles, retrofits, or SmartWay equipment to comply early with several ARB regulations.

II. Background

Pursuant to Health and Safety Code section 39003: "The State Air Resources Board is the state agency charged with coordinating efforts to attain and maintain ambient air quality standards, to conduct research into the causes of and solution to air pollution, and to systematically attack the serious problem caused by motor vehicles, which is the major source of air pollution in many areas of the state."

Pursuant to Assembly Bill 118, (Health & Safety Code §§ 44274 et seq.), ARB has implemented loan incentive programs to reduce the emission impacts of heavy-duty vehicles and equipment. These programs include loan guarantee programs implemented in partnership with the California Pollution Control Financing Authority, a revolving loan program implemented through Cascade Sierra Solutions, and a direct loan program that will be managed by the Contractor in accordance with this Agreement.

Program Overview

Beginning in mid-2011, ARB will implement a PLACE-DL program for the purpose of providing affordable financing to small fleet owners/operators to purchase cleaner trucks, verified retrofits or SmartWay equipment to comply with applicable ARB regulations prior to compliance deadlines, or to comply with ARB regulations for drayage trucks prior to any applicable compliance deadlines.

ARB will be responsible for overall program oversight, final loan approval, loan funding and payments. The Contractor will assist ARB in implementing the PLACE-DL program in accordance with the specific tasks as described in this Agreement. All Contractor activities will be conducted in conformance with the Agreement, applicable laws and regulations, the PLACE-DL program Policy and Procedure manual, and prudent lending practices. All loans will be made for projects that meet the PLACE-DL program eligibility criteria.

Because of the uncertainty concerning the actual length of time ARB would need the services of the Contractor at program implementation date, the contract will be implemented in two phases. In Phase 1, the contract period will be for the first two years of the program to cover the period when loan funds will be expended. In Phase 2, the contract period will be from the end date of Phase 1 to the date when the last loan that was funded during Phase 1 is fully repaid. At the end of Phase 1, ARB will determine how much time would be needed for Phase 2 based on the longest remaining years of the loans that were financed during Phase 1 that are still outstanding. The Contractor will be obligated under contract to perform all required

tasks associated with Phase 2 until all loans are fully repaid. At the end of Phase 1, ARB will also evaluate the efficacy of the Contractor in the performance of its contractual obligation for Phase 1, along with the determination of the length of the Phase 2 contract period as discussed. Unless warranted due to non-performance issues, or for other issues deemed appropriate by ARB, the contract with the Contractor will continue unabated with Phase 2 in accordance with the terms of this agreement. If in ARB's opinion, the Contractor has not sufficiently fulfilled its contractual obligations for Phase 1, ARB at its discretion may terminate this agreement.

III. Detailed Scope of Work

The Contractor agrees to assist ARB in implementing a loan program that meets the criteria of the PLACE-DL program. It is important to note that the Contractor will not implement the loan program independently, rather, the Contractor shall report to ARB, which shall have the final authority on program operation. ARB shall be responsible for ensuring that programmatic requirements are met, provide the final loan approval decision, which will be based on the financial and credit review provided by the Contractor and/or other factors, process and track loan payments, and notify the Contractor of any loan defaults. The Contractor shall be responsible for static pool loss methodology and credit risk evaluation, outreach activities, program eligibility and loan application evaluation, loan documents preparation and signing, and loan default management. The following sections elaborate on these components required for this program and summarize the project outline and deliverables.

Task 1 –Develop a Methodology to Determine Static Pool Losses and Develop a Credit Risk Assessment Model

Static pool loss methodology and credit risk evaluation. The Contractor shall submit a methodology to determine the potential losses due to loan defaults from the targeted group of borrowers defined by ARB. The methodology should be able to reasonably provide an objective analysis of financial and credit data, as well as other relevant factors, to assess the potential losses from a defined group of borrowers. The aggregated potential loss for any defined group of borrowers is hereinafter referred to as the static pool loss for that group of borrowers. The Contractor must be able to justify its proposed static pool loss methodology. ARB will work with the Contractor to determine an acceptable range of static pool loss for the PLACE-DL program. In addition, the Contractor shall develop a credit risk assessment model to be used in evaluating loan applications, including, if applicable, separate credit risk assessment models for independent owners/operators and for larger fleet owners/operators.

Task 1 involves first framing the parameters that could be used to project possible potential losses for any particular group of borrowers. The parameters used should be data and information that could reasonably be available from small fleet owners/operators. Before proceeding with Task 1, should the Contractor elect to utilize its own established internal procedures as the basis for proceeding with the loss-estimate methodology, the Contractor must receive ARB approval of the basic parameters and criteria selected for use to determine the static pool loss to ensure it meets the basic financing objectives of the PLACE-DL program.

The first major subtask of Task 1 is to utilize the static pool loss methodology to correlate any given static pool loss grouping with an appropriate interest rate to balance the goals of providing affordable financing at the lowest possible risk. This Task shall include a report deliverable that describes in details the static loss estimate methodology and illustrates how this tool would assist the PLACE-DL program to most effectively using State funds to provide low-interest financing assistance to the small fleet owners/operators.

The next major component of Task 1 is to generate a detailed risk assessment model to analyze the credit-worthiness of borrowers using financial and credit information and any other relevant factors. This subtask complements the work discussed above on static pool loss methodology to help efficiently categorize loan applications. This task requires a brief summary report on how the credit risk assessment model developed could be used to impartially and expeditiously analyze loan applications to minimize as much as practicable the risk of defaults.

Table 1 Summary of Task 1 - Tasks and Deliverables

Task	Description / Subtasks	Deliverable/ Time Line
Task 1.1: Static pool loss estimate methodology	<ul style="list-style-type: none"> • Summary description of parameters that would be needed for use in the proposed static pool loss estimate methodology • Detailed description of static pool loss estimate methodology. The description should include any relevant data to validate the accuracy and reasonableness of the methodology • Using the approved static loss estimate methodology to propose possible interest rates to be charged for loans made to borrowers residing in specific sub-groups by correlating the static pool losses in those sub-groups with interest rates 	Interim report (to be completed one month from approved contract start date)
Task 1.2: Credit risk assessment model	<ul style="list-style-type: none"> • Summary description of the basic procedures used in assessing credit risks when evaluating a loan application • Detailed description of factors used in the risk evaluation analysis • Describe credit risk assessment model(s) for independent owners/operators and for larger fleet owners/operators • Describe how standard industry risk evaluation procedure should be modified to address the specific attributes of the target borrowers for the PLACE-DL program 	Interim report (to be completed one month from approved contract start date)

The next major component of Task 1 is to generate a detailed risk assessment model to analyze the credit-worthiness of borrowers using financial and credit information and any other relevant factors. This subtask complements the work discussed above on static pool loss methodology to help efficiently categorize loan applications. This task requires a brief summary report on how the credit risk assessment model developed could be used to

impartially and expeditiously analyze loan applications to minimize as much as practicable the risk of defaults.

Task 2 – Outreach Activities

The Contractor shall implement the approved outreach plan to be used in implementing ARB's direct loan program. The outreach plan will include, at a minimum, published materials as well as other media, such as internet-based portal, to disseminate program information to fleet owners, including both independent owners/operators as well as larger trucking fleets, strategies to educate potential borrowers about ARB's loan program. The outreach implementation plan shall also have plans to inform and entice truck dealers' and equipment vendors' participation to ARB direct loan program.

Deliverable Time line: The Contractor will initiate outreach activities from the approved contract start date and continue until all outreach activities have been completed.

Task 3 – Program Eligibility and Loan Application Evaluation

After the initial training phase conducted by ARB staff, the Contractor shall perform the program eligibility evaluation, based on criteria that will be provided by ARB, for applications submitted to the ARB PLACE-DL program. All program eligibility determination shall be sent to ARB on a periodic basis.

The Contractor shall provide ARB with professional analysis of financial and credit information regarding the loan applications and will provide recommendations concerning the credit risks and possible range of loan terms for the specific potential borrowers. The target borrowers will be small fleet owners/operators that have forty or fewer heavy-duty vehicles. The focus of the ARB direct loan program is to assist the target borrowers that are unable to obtain conventional financing with the current tight credit market, due to their less-than-excellent credit rating and/or other factors, to purchase eligible heavy-duty vehicles, retrofits, or SmartWay equipment that would be compliant with ARB regulations prior to any applicable compliance deadlines. As such, the Contractor shall use prudent lending practices, as well as other criteria if necessary, to analyze the financial and credit information of the target group of borrowers to improve their chances of obtaining financing while minimizing undue risks of potential loan defaults.

The Contractor shall provide to ARB monthly progress reports containing, at a minimum, complete loan evaluations, including credit report and risk analysis, pertaining to each eligible loan application that was submitted under the PLACE-DL program.

The Contractor shall use the approved static pool loss estimate methodology and the credit risk assessment model in its review of the loan application and in its recommendation whether a loan application should be approved. This task will be an on-going responsibility of the Contractor for the initial two years of the contract as loan applications are being evaluated.

Table 2. Summary of Task 3 - Tasks and Deliverables

Task	Description / Subtasks	Deliverable Time Line
	<p>Evaluate loan applications and provide recommendations for funding</p> <ul style="list-style-type: none"> • Evaluate loan applications using approved criteria for static pool loss and credit risk assessment model • Provide a report on the credit analysis and loan recommendation for ARB staff to consider, including any specific risk concerns and interest rate(s) or term(s) 	For Phase 1 only – Years 1 and 2

Task 4 – Loan Documents Preparation and Signing

After ARB has approved and authorized the loan, Contractor shall be responsible for preparing the necessary loan documents using standard loan document forms approved by ARB. The Contractor shall follow all accepted conventions concerning loan document preparation and signing. The loan documents shall specify ARB as the Lender. The loan documents shall also direct the borrower to make monthly payments payable to ARB and send payments to the address provided by ARB. The Contractor shall provide a convenient location where borrowers can come in to sign the loan documents. Alternatively, if a local facility is not available, the Contractor shall provide an on-site loan document signing service where qualified personnel that are authorized to oversee the signing of the loan documents will arrange for a convenient time and location for the borrower to sign the loan documents. After the borrower has signed the loan document, the Contractor shall send one original and two (2) copies of the executed loan documents to ARB, within two business days after the loan documents are signed.

Task 5 – Loan Default Management

The Contractor shall use best practices to minimize loan defaults and to minimize the loss of the assets in case of defaults. The Contractor shall provide and implement a strategy, or strategies, to minimize the likelihood of defaults. The Contractor shall have a strategy that has been approved by ARB to quickly recover and dispose of assets when a borrower has defaulted on the loan. This would include a mechanism for locating (e.g., GPS-based devices) and recovering the defaulted assets to minimize the potential damage to the assets. The Contractor shall provide a mechanism to resell the recovered defaulted asset to obtain maximum market value. As part of the loan default management, when informed by ARB that a loan has been defaulted, the Contractor shall repossess, recondition, and remarket the vehicle, using the strategy approved by ARB.

Table 3. Summary of Task 5 - Tasks and Deliverables

Task	Description / Subtasks	Deliverable Timeline
	Manage Loan Defaults <ul style="list-style-type: none"> • Manage loan defaults and recover assets • Recondition and remarket recovered assets, as necessary • Provide reports on the status loan default remediation activities for each case, as necessary 	Throughout contract term (Update Reports as needed)

Task 6–Public Workshops or Board Hearings

The Contractor shall provide testimony as deemed necessary by ARB, either at public workshops or Board hearings held in California, describing and supporting the methodology used and work done in performing Tasks 1 through 5 and respond to criticism from trucking industry members or any other group expressing concerns about the PLACE-DL financing program.

Task 7 – Reports

The Contractor shall prepare the following reports for ARB review and approval: an interim report at the end of Task 1; on-going monthly reports on the status of the loans as described in Tasks 2 through 5, above; annual reports; a draft final report; and a final report. A sample monthly report format is provided in Exhibit F. For the final report requirements, see Exhibit G, Sample Final Report Format.

Summary of Task Goals and Deliverables

Tables 1 through 3 above provide summaries of the critical tasks and subtasks that define the proposed Contractor work. Ultimately, the final work shall use sound and accepted financing standards to provide affordable loans to small fleet owners/operators to acquire cleaner eligible vehicles. Beyond the tasks outlined above, the final work product shall include a report that summarizes the program’s overall status.

Other Contract Deliverables

Contractor must communicate with the ARB project representative on a regular basis or as needed to discuss the progress of the project including but not limited to the sub-contract, status of loan evaluations, credit and financial information pertaining to approved and rejected loan applications, status of loan default management if any. To ensure this takes place in a regular manner, the Contractor shall attend meetings with ARB and also provide reports as shown below:

1. Meetings

a) Initial Meeting

Before work on the contract begins, the Contractor’s key personnel shall meet with the ARB Project Manager and other ARB staff in Sacramento, California, to discuss the overall plan, details of performing the tasks, the project schedule items related to

personnel or changes in personnel, and any issues that should be resolved before work can begin.

b) Monthly Review Meetings

The Contractor shall participate in regular progress meetings with the ARB project manager and other ARB staff. These meetings will most likely take the form of telephone conferences, but face-to-face meetings in Sacramento, California may be held, if deemed appropriate by ARB. The meetings should be held monthly, held on site, if necessary, and may be more frequent, as deemed necessary by ARB. The Contractor shall be prepared for open, two-way communication with ARB staff throughout the course of this Agreement. The Contractor must communicate at least bi-weekly with the ARB Project Manager on the progress of this program.

c) Quarterly Progress Meetings

Quarterly progress meetings between Contractor and ARB personnel, held on-site at ARB offices if deemed necessary by ARB. The quarterly progress meeting will take place in lieu of one monthly review meetings.

2. Monthly Progress Reports

The Contractor shall provide monthly written progress reports. Contractor may use the sample report format provided in Exhibit F for the monthly progress reports or an alternative format that would provide the required information. With respect to the payment period completed, the Contractor shall mail the original, two hard copies, and e-mail an electronic copy of a progress report with each invoice. (Do not use Express Mail.) When e-mailing the progress report, the subject line shall state the Contract number (10-622) and the billing period. Each progress reports will begin with the following disclaimer:

"The statements and conclusions in this report are those of the Contractor and not necessarily those of the California Air Resources Board."

Each progress report shall also include:

- (i) A brief narrative account of project tasks completed or partially completed since the last progress report. The task names must match those in the Scope of Work.
- (ii) A brief discussion of project status, achievement of milestones, preliminary findings such as the number of loan applications recommended for approval or denial and the geographical locations where the loan applications originated, deviations from plan, new recommendations, if any, problems encountered during the reporting period and how they were or are proposed to be resolved, and financial summary and invoices due to ARB for the current reporting period and accumulative totals.
- (iii) A brief discussion of work planned, by project task, before the next progress report.

3. Annual Progress Reports

The Contractor shall provide annual written progress reports. The annual reports will be submitted in lieu of the twelfth monthly reports in a twelfth-month reporting cycle. With respect to the payment period completed, the Contractor shall mail the original, two hard copies, and e-mail an electronic copy of a progress report with each invoice. (Do not use Express Mail.) When e-mailing the progress report, the subject line shall state the Contract number (10-622) and the billing period. Each progress reports will begin with the following disclaimer:

"The statements and conclusions in this report are those of the Contractor and not necessarily those of the California Air Resources Board."

Each annual progress report shall include the information required above for the monthly reports, as well as more in-depth discussion on the status of the loan program.

4. Draft Final Report

Ninety (90) days prior to the contract termination date, the Contractor shall deliver to the State, two (2) bound copies and an electronic copy of a draft final report for review by ARB. The reports may be stapled or spiral bound, depending on size. To conserve paper, the draft final report should be printed on both sides of the page. The final report shall include, but not limited to, a brief description of service and a summary of all tasks. A sample report format is provided in Exhibit G.

5. Final Report

Within forty-five (45) days of receipt of the State's comments on the draft final report, the Contractor shall deliver to the State, five (5) copies of the final report incorporating all reasonable alterations and additions requested by the State. Upon approval of the amended final report by the State's Project Representative, the Contractor shall, within two (2) weeks, deliver to the State two (2) **UNBOUND** originals and a final report incorporating all final alterations and additions. To conserve paper, the revised Final Report, except for the unbound copies, should be printed on both sides of the page. **The unbound copies must be printed on only one side of the page.** A sample report format is provided in Exhibit G. Together with the final report, the Contractor shall deliver a copy of the report on diskette (CD), using Microsoft Word 6.0 (or newer) and a set of all data compilations as specified by the ARB Project Manager.

Contractor's obligation under this Agreement shall be deemed discharged only upon submittal to and acceptance by ARB of the final report, report diskette, and all required data compilations.

Contractor agrees that it will promptly notify ARB of any problems, delays, or adverse conditions which may materially impair its ability to deliver on the outputs/outcomes specified in the work plan. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation. Contractor agrees that it will also notify ARB of any favorable developments which may enable meeting time schedules and objectives sooner or at less cost than anticipated

or producing more beneficial results than originally planned.

6. Record Keeping and Record Access for Audits

Contractor agrees to establish an official file for the Project which shall adequately document all significant actions relative to the Project. Contractor agrees that ARB, the Bureau of State Audits (BSA), or their designated representative(s) shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Contract Agreement. Contractor agrees to maintain such records for a possible audit for at least three years after the program termination date.

Contractor agrees to allow the auditor(s) access and to copy such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any work related to performance of this Agreement.

IV. Financial Matters and Payments

The Contractor agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of funds to a level of expenditure adequate to establish that such funds have not been used in violation of State and or Federal law, or this Agreement. Unless otherwise prohibited by State or local law, Contractor further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.

V. Contract Termination

At ARB's request for termination, Contractor shall submit to ARB for approval a Program Termination Plan at least 40 business days prior to the proposed program termination date. The Program Termination Plan must contain a complete report on the program. The report must be sufficiently detailed to allow ARB, or an independent third party, to fully evaluate how the program has been administered.

VI. Project Management

The ARB project representatives during the term of this agreement will be:

State Agency: Air Resources Board	Contractor:
Section/Unit: Mobile Source Control Division	Section/Unit
Name:	Name:
Phone:	Phone:
Fax:	Fax:
Email:	Email:

Direct all administrative inquiries to:

State Agency: Air Resources Board	Contractor:
Section/Unit: Contract Services Unit	Section/Unit:
Attention: Sue Bayoneta	Attention:
Phone: (916) 322-2208	Phone:
Fax: (916) 327-2940	Fax:
Email: sbayonet@arb.ca.gov	Email:

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A.** Payments shall be made in alignment with the Contractor's approved Work Plan and Cost Sheet, for reasonable costs incurred by the Contractor, and only when the Contractor has submitted an invoice. Invoices shall be consistent with specific tasks stipulated in Contractor's Work plan that have been accomplished, documentation of accomplishment has been provided to ARB in the form of the monthly progress reports and any associated deliverables, if applicable, have been provided to ARB. A sample monthly progress report format is shown in Exhibit F. All costs shall include subcontractor(s), travel, meetings, and reports as necessary to perform the tasks of this project, and in accordance with the Contractor's Cost Sheet.

Tasks 1 & 2 (Credit Risk Model and Outreach Activities) are one-time costs and payable when ARB approves and accepts the deliverables.

Tasks 3, 4 & 5 (Program Eligibility and Loan Evaluations; Loan Documents Preparation and Signing; Loan Default Management –retrofits and trucks) shall be payable on a cost per loan basis.

- B.** Contractor shall submit invoice for payments for contracted services no more frequently than monthly in arrears.
- C.** Payments are subject to ARB's approval of progress reports and any accompanying deliverables. A payment will not be made if the ARB Project Manager deems that a task has not been accomplished or documented, that deliverables meeting specifications have not been provided, that claimed expenses are not documented, not valid per the budget, or not reasonable, or that the Contractor has not met other terms of the Agreement.
- D.** Payments to the Contractor will be made upon approval of the invoices and deliverables will be in the form of a check that will be mailed via Postal Service to the address designated by the Contractor.
- E.** The Chief of the Mobile Source Control Division or designee of ARB may review the Project Manager's approval or disapproval of an invoice. No payments will be made for expenses that, in the judgment of the Division Chief of the Mobile Source Control Division, are not reasonable or do not comply with the Agreement.

The Contractor shall mail the invoice to:

Air Resources Board
Administrative Services Division
Accounting Section
Attn: Lauri Brunkhorst
PO Box 1436
Sacramento, CA 95812
Phone: (916) 322-8215
Email: lbrunkho@arb.ca.gov

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

4. Travel and Per Diem

- A. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those amounts paid to State of California employees or verification supplied that indicates such rates are not available to Contractor. All travel reimbursements and per diem shall be at the rates set by Department of Personnel Administration. Currently, State of California travel rates are posted on the internet at: <http://www.dpa.ca.gov/personnel-policies/travel/employees.htm>
- B. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from State.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

PLEASE NOTE: This page will not be included with the final contract. The General Terms and Conditions will be included in the contract by reference to Internet site www.ols.dgs.ca.gov

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

- A. In the event of a dispute, Contractor shall file a "Notice of Dispute" with ARB within ten (10) days of discovery of the problem. Within ten (10) days, the ARB shall meet with the Contractor and Project Representative for purposes of resolving the dispute.
- B. Any dispute concerning a question of fact arising under the terms of this Agreement which is not disposed of within a reasonable period of time by Contractor and State employees normally responsible for the administration of this Agreement shall be brought to the attention of the Executive Officer or designated representative of each organization for resolution. The decision of the State Executive Officer or designated representative shall be final.
- C. In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the proposal.
- D. The existence of a dispute not fully resolved shall not delay Contractor to continue with the responsibilities under this Agreement which is not affected by the dispute.

3. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

Contractor shall not subcontract any services under this Agreement without prior approval of the State.

4. Stop Work Order

State reserves the right to issue an order to stop work in the event that a dispute should arise, or in the event that State gives Contractor a notice that the Agreement will be terminated. The stop-work order will be in effect until the dispute has been resolved or the Agreement has been terminated.

5. Termination

- A. In addition to the rights under Exhibit C of the Standard Agreement, State reserves the right to terminate this Agreement at its sole discretion at any time upon thirty (30) days prior written notice to Contractor.
- B. In the case of early termination, Contractor shall submit an invoice in triplicate and a report in triplicate covering services to termination date, following the invoice and progress report requirements of this Agreement. A copy and description of any data collected up to termination date shall also be provided to State.
- C. Upon receipt of the invoice, progress report, and data, a final payment will be made to Contractor. This payment shall be for all State-approved, actually-incurred costs that in the opinion of State are justified, and shall include labor, and materials purchased or utilized (including all non-cancellable commitments) to termination date, and pro rata indirect costs as specified in the proposal budget.

6. Amendments

ARB if appropriate reserves the right to amend this agreement for additional time up to seven (7) years, which will be based on the longest remaining years of the outstanding loans that are financed during Phase 1, as described in the Scope of Work.

7. Workers' Compensation/Employer's Liability Insurance

Contractor shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the contract, including special coverage extensions where applicable. Employer's liability limits of \$1,000,000 shall be required. A certificate of insurance shall be provided for this insurance.

8. Commercial General Liability Insurance

Contractor shall maintain commercial general liability with limits of not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate for bodily injury and property damage liability combined. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the contractor's limit of liability.

The policy must include the State of California, its officers, agents, employees and servants as additional insured, but only insofar as the operations under the contract are concerned.

9. Commercial Automobile Liability Insurance

Contractor shall maintain commercial automobile insurance with limits of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of all owned, hired and non-owned motor vehicles.

An additional insured endorsement and certificate of insurance shall be provided for the commercial automobile insurance as required for the commercial general liability insurance.

10. Professional Liability Insurance

Contractor shall maintain professional liability insurance with limits of not less than \$1,000,000 each claim and \$3,000,000 annual aggregate. A certificate of insurance shall be provided and must show the policy retro date. The retro date must be before the date of the contract, or before work under the contract begins.

11. Force Majeure

Except for defaults of subcontractors, neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of the offending party. Such acts shall include but shall not be limited to acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight embargo, public regulated utility, or governmental statutes or regulations superimposed after the fact. If a delay or failure in performance by the Contractor arises out of a default of its subcontractor, and if such default of its subcontractor, arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule.

EXHIBIT E
ADDITIONAL PROVISIONS

1. Computer Software

Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

2. Priority Hiring Considerations

Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code Section 11200.

3. Forced, Convict, and Indentured Labor

No foreign-made equipment, materials, or supplies furnished to State pursuant to this Agreement may be produced in whole or in part by forced labor, convict labor, or indentured labor. By submitting a proposal to State, Contractor agrees to comply with this provision of the Agreement.

4. Sole Proprietor

If signing this Agreement as a sole proprietor, Contractor certifies they are not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act (8 USC 1601, et. Seq.)

5. Copyrightable Materials

- A.** ARB reserves the right to any copyrightable materials developed under this Agreement. Upon acceptance of the copyrightable materials developed under this Agreement, and payment of the sums then due under the terms of the Agreement, ARB shall have the sole and exclusive right, title, and interest (including trade secret and copyright interests) in the copyrightable materials. Contractor and his or her subcontractors hereby assign(s) all rights, title, and interest (including trade secret and copyright interest) in any copyrightable materials developed under this Agreement to ARB.
- B.** ARB, at its discretion, may grant a nonexclusive and paid-up license to Contractor and his or her subcontractors to use said copyrightable materials. Contractor and his or her subcontractors agree to cooperate with and assist ARB to apply for and to execute any applications and/or assignments reasonably necessary to obtain any patent, copyright, trademark, or other statutory protection for all copyrightable materials.

- C.** Contractor and his or her subcontractors shall not disclose any copyrightable materials, any of the deliverables thereof, or any portion thereof, to any other organization or person without the written consent of ARB.
- D.** Contractor and his or her subcontractors shall not use the copyrightable materials, any of the deliverables thereof, or any portion thereof, in any other work performed by this Agreement subject to any license granted without the written consent of ARB.
- E.** Contractor's obligations under this provision shall survive the expiration or termination of this Agreement.

6. Recycling

- A.** Contractor agrees to use janitorial supplies (if necessary and when required) containing recycled paper products only.
- B.** Contractor agrees to use recycled paper only, unless the proposed printing job cannot be done on recycled paper.
- C.** Contractor agrees to use recycled solvents.

7. Confidentiality

It is expressly understood and agreed that information Contractor receives from State in performing its obligations under this Agreement may be deemed confidential by State. Therefore, Contractor agrees to:

- A.** Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any person or entity in any manner whatsoever.
- B.** Ensure that Contractor's employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and ensure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
- C.** Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Agreement.
- D.** Notify State promptly and in writing of the circumstances surrounding any possession, use or knowledge of such information or any part thereof by any person other than those authorized by this paragraph.

**EXHIBIT F
 SAMPLE MONTHLY PROGRESS REPORT**

Project Title:	
Contractor:	
Contract Number:	
Date Submitted:	

	Total Number of Loans for Current Reporting Period	Total Number of Loans (Cumulative)	Total Loan Amount for Current Reporting Period (\$)	Total Cumulative Loan Amount (\$)
Truck Purchases				
Retrofits				
SmartWay Products				

Discuss Status of Required Tasks for the Current Reporting Period

Additional Information

EXHIBIT G

SAMPLE FINAL REPORT FORMAT

The contract Final Report (Report) is as important to the contract as the service itself. The Report is a record of the project and its results, and is used in several ways. Therefore, the Report must be well organized and contain certain specific information. Provided below is guidance on preparing the report and a sample report format.

Legibility. Each page of the approved Final Report must be legible and camera-ready.

Binding. The draft Report, including its appendices, should be either spiral bound or stapled, depending on size. The revised Report and its appendices should be spiral bound, except for two unbound, camera-ready originals.

Cover. Do not supply a cover for the Report. The ARB will provide its standard cover.

One-sided vs. two-sided. To conserve paper, both the draft Report and the revised Report, except for the unbound camera-ready copies, should be printed on both sides of the page. **The unbound camera-ready copies must be printed on only one side of the page.**

Title. The title of the Report should exactly duplicate the title of the contract unless a change is approved in writing by the Project Representative.

Spacing. In order to conserve paper, copying costs, and postage, please use single or one-line (1) spacing.

Page size. All pages should be of standard size (8 ½" x 11") to allow for photo-reproduction.

Large tables or figures. Foldout or photo-reduced tables or figures are not acceptable because they cannot be readily reproduced. Large tables and figures should be presented on consecutive 8 ½" x 11" pages, each page containing one portion of the larger chart.

Color. Printing should be black on white only.

Corporate identification. Do not include corporate identification on any page of the Final Report, except the title page.

Section order. The Report should contain the following sections, in the order listed below:

- Title page
- Disclaimer
- Acknowledgments
- Table of Contents
- List of Figures
- List of Tables
- Abstract
- Executive Summary

Body of Report
References
List of copyrighted materials produced
Glossary of Terms, Abbreviations, and Symbols
Appendices

Page numbering. Beginning with the body of the Report, pages should be numbered consecutively beginning with "1", including all appendices and attachments. Pages preceding the body of the Report should be numbered consecutively, in ascending order, with small Roman numerals.

Title page. The title page should include, at a minimum, the contract number, contract title, name of the principal investigator, contractor organization, date, and this statement: "Prepared for the California Air Resources Board and the California Environmental Protection Agency"

Disclaimer. A page dedicated to this statement should follow the Title Page:

The statements and conclusions in this Report are those of the contractor and not necessarily those of the California Air Resources Board. The mention of commercial products, their source, or their use in connection with material reported herein is not to be construed as actual or implied endorsement of such products.

Acknowledgments. Only this section should contain acknowledgments of key personnel and organizations that were associated with the project. The last paragraph of the acknowledgments should read as follows:

This Report was submitted in fulfillment of [ARB contract number and project title] by [contractor organization] under the [partial] sponsorship of the California Air Resources Board. Work was completed as of [date].

Table of Contents. This should list all the sections, chapters, and appendices, together with their page numbers. Check for completeness and correct reference to pages in the Report.

List of Figures. This list is optional if there are fewer than five illustrations.

List of Tables. This list is optional if there are fewer than five tables.

Abstract. The abstract should tell the reader, in non-technical terms, the purpose and scope of the work undertaken, describe the work performed, and present the results obtained and conclusions. The purpose of the abstract is to provide the reader with useful information and a means of determining whether the complete document should be obtained for study. The length of the abstract should be no more than about 200 words. Only those concepts that are addressed in the executive summary should be included in the abstract.

Executive Summary. The function of the executive summary is to inform the reader about the important aspects of the work that was done, permitting the reader to understand the research without reading the entire Report. It should state the objectives of the research and briefly

describe the experimental methodology (methodologies) used, results, conclusions, and recommendations for further study. All of the concepts brought out in the abstract should be expanded upon in the Executive Summary. Conversely, the Executive Summary should not contain concepts that are not expanded upon in the body of the Report.

The Executive Summary will be used in several applications as written; therefore, please observe the style considerations discussed below.

Limit the Executive Summary to two pages, single spaced.

Use narrative form. Use a style and vocabulary level comparable to that in Scientific American or the New York Times.

Do not list contract tasks in lieu of discussing the methodology.

Discuss the results rather than listing them.

Avoid jargon.

Define technical terms.

Use passive voice if active voice is awkward.

Avoid the temptation to lump separate topics together in one sentence to cut down on length.

The Executive Summary should contain four sections: Background, Methods, Results, and Conclusions, described below.

THE BACKGROUND SECTION. For the Background, provide a one-paragraph discussion of the reasons the loan program was needed. Relate the loan program to the Board's regulatory functions, such as establishing ambient air quality standards for the protection of human health, crops, and ecosystems; the improvement and updating of emissions inventories; and the development of air pollution control strategies.

THE METHODS SECTION. At the beginning of the Methods section, state what was done in general, in one or two sentences. The methodology, or approach to work, should be described in general, non-technical terms. Use terminology with which the reader is likely to be familiar. If it is necessary to use technical terms, define them.

The findings should not be mentioned in the Methods section.

THE RESULTS SECTION. The Results section should be a single paragraph in which the main findings are cited and their significance briefly discussed. The results should be presented as a narrative, not a list. This section must include a discussion of the implications of the work for the Board's relevant regulatory programs.

THE CONCLUSIONS SECTION. The Conclusions section should be a single short paragraph in which the results are related to the background, objectives, and methods. Again, this should be presented as a narrative rather than a list. Include a short

discussion of recommendations for future programs, adhering to the guidelines for the Recommendations section in the body of the Report.

Body of Report. The body of the Report should contain the details of the direct loan program, divided into the following sections:

INTRODUCTION. Clearly identify the scope and purpose of the project. Provide a general background of the project. Explicitly state the criteria for the project.

METHODS. Describe the various phases of the project, the approach to the solution of the problem being addressed, and limitations to the work. Describe the different phases of the project.

RESULTS. Present the results in an orderly and coherent sequence. Describe statistical procedures used and their estimates. Discuss information presented in tables, figures and graphs. The titles and heading of tables, graphs, and figures, should be understandable without reference to the text. Include all necessary explanatory footnotes.

DISCUSSION. Interpret the data obtained from the loan program. If appropriate, discuss how the results compare to data from similar or related loan programs. What are the implications of the loan program? Identify innovations or development of new processes. If appropriate, discuss cost projections and economic analyses.

SUMMARY AND CONCLUSIONS. This is the most important part of the Report because it is the section that will probably be read most frequently. This section should begin with a clear, concise statement of what, why, and how the project was done. Major results and conclusions of the loan program should then be presented, using clear, concise statements. Make sure the conclusions reached are fully supported by the results of the loan program. Do not overstate or over interpret the results. It may be useful to itemize Secondary results and conclusions. A simple table or graph may be used to illustrate.

RECOMMENDATIONS. Use clear, concise statements to recommend (if appropriate) future loan program(s) that is a reasonable progression of the current program and can be supported by the results and discussion.

References. Use a consistent style to fully cite work referenced throughout the Report and references to closely related work, background material, and publications that offer additional information on aspects of the work. Please list these together in a separate section, following the body of the Report. If the Report is lengthy, you may list the references at the end of each chapter.

List publications produced. If any publications or pending publications have been produced as a result of the project, the titles, authors, journals or magazines, and identifying numbers that will assist in locating such information should be included in this section.

Glossary of terms, abbreviations, and symbols. When more than five of these items are used in the text of the Report, prepare a complete listing with explanations and definitions. It is expected that every abbreviation and symbol will be written out at its first appearance in the Report, with the abbreviation or symbol following in parentheses [i.e.,

annual percentage rate (APR)]. Symbols listed in table and figure legends need not be listed in the Glossary.

Appendices. Related or additional material that is too bulky or detailed to include within the discussion portion of the Report should be placed in appendices. If a Report has only one appendix, it should be entitled "APPENDIX". If a Report has more than one appendix, each should be designated with a capital letter (APPENDIX A, APPENDIX B). If the appendices are too large for inclusion in the Report, they should be collated, following the binding requirements for the Report, as a separate document. The Project Representative will determine whether appendices are to be included in the Report or treated separately. Page numbers of appendices included in the Report should continue the page numbering of the Report body. Pages of separated appendices should be numbered consecutively, beginning at "1".